United Nations ECE/TIM/2017/2–FO:EFC/2017/2

# Economic and Social Council

Distr.: General
7 March 2018

Original: English

## Food and Agriculture Organization of the United Nations

**Economic Commission for Europe**

**Committee on Forests and the Forest Industry**

**Seventy-fifth session**
Warsaw, 9-13 October 2017

**Food and Agriculture Organization**

**European Forestry Commission**

**Thirty-ninth session**
Warsaw, 9-13 October 2017

# Report of the joint session of the Committee on Forests and the Forest Industry and the European Forestry Commission

## I. Introduction

1. At the invitation of the Government of Poland, the joint session of the ECE Committee on Forests and the Forest Industry (at its seventy-fifth session) and the FAO European Forestry Commission (at its thirty-ninth session) – Las2017 – was held in Warsaw, Poland, from 9 to 13 October 2017. More than 280 participants attended the meeting.

## II. Attendance

2. Delegations from the following forty-two member States participated: Albania, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Kazakhstan, Kyrgyzstan, Latvia, Montenegro, the Netherlands, Norway, Poland, Portugal, Republic of Moldova, Romania, Russian Federation, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Tajikistan, the former Yugoslav Republic of Macedonia, Turkey, Ukraine, the United Kingdom, the United States of America and Uzbekistan.

3. A representative of the European Commission participated in the session.

4. The United Nations Forum on Forests Secretariat participated in the session.

5. The following intergovernmental organization participated: International Renewable Energy Agency.

6. Representatives of Forest Europe participated in the session.

7. Representatives of the following non-governmental organizations participated in the session: Armenia Tree Project, Confederation of European Forest Owners, Crann – Trees

GE.17-11791(E)

*1711791*

Please recycle

for Ireland, Ekoinbud, European State Forest Association, Forest and Wood Products Research and Development Institute, Forest Friends Association, Forest Research Institute, Greenpeace, Institute of Forest, International Family Forest Alliance, International Forestry Students' Association, International Union for Conservation of Nature Regional Office for Eastern Europe and Central Asia, Programme for the Endorsement of Forest Certification, Planta Panta Tree International , Québec Arbres, Quebec Wood Export Bureau, Stichting Probos, Swedish Forest Industries Federation, The Central Union of Agricultural Producers and Forest Owners, The Forest Stewardship Council, The Polish Papermakers Association, Union of European Foresters, Union of Timber Manufacturers and Exporters of Russia, World Wildlife Fund. A number of representatives from other organizations, the private sector, local entities, academia and the media attended, at the invitation of the secretariat.

## III. Opening of the meeting

8. Ms. Marta Gaworska (Poland), Committee Chair and co-chair of the session, opened the session. She welcomed delegates and introduced speakers of the opening session: Mr. Manoel Sobral, Director of the United Nations Forum on Forests; Ms. Yuriko Shoji, FAO Deputy Regional Representative of the Regional Office for Europe and Central Asia; and Mr. Andrey Vasilyev, Deputy Executive Secretary of ECE.

9. Mr. Manoel Sobral stressed that ECE and FAO can be champions of the implementation of the United Nations strategic plan for forests 2017-2030, given the long tradition of sustainable forest management in the region. He also recalled that the United Nations Forum on Forests is convening a meeting of regional organizations in Nairobi next month to discuss the important contributions that regional organizations can make to the United Nations strategic plan for forests 2017-2030. He also recalled that the High Level Political Forum in 2018 will review Sustainable Development Goal (SDG) 15 on Life on Land.

10. Ms. Yuriko Shoji recalled the seventy years of cooperation between ECE and FAO and stressed the need to continue the partnership considering comparative advantages with mutual respect to promote synergies and to promote further cooperation with key partners. Ms. Shoji expressed her gratitude to the Government of the Czech Republic for hosting the anniversary event the previous month.

11. Mr. Andrey Vasilyev recalled that the ECE region covers forty-three per cent of the world's forests and sixty per cent of the global industrial roundwood production and related forest products. It therefore has a key role to play in the implementation of the United Nations strategic plan for forests 2017-2030. He also recalled the seventy year anniversary of the partnership with FAO and thanked the Government of the Czech Republic for hosting the event.

## IV. Adoption of the agenda (Agenda Item 1)

*Documentation*: ECE/TIM/2017/1; FO:EFC/2017/1

12. Mr. Kenan Kilic (Turkey), Commission Chair and co-chair of the session, welcomed the participants, and introduced the provisional agenda.

13. The agenda was adopted with the following amendments:

(a) Item 3(a) was moved under "Joint Committee/Commission matters" (Item 2 of the annotated agenda); and

(b) Under item 2(i) "Any other business", it was agreed to consider "Cooperation

between the ECE and FAO secretariats".

14. Several participants expressed concerns about the comprehensiveness of the draft Integrated Programme of Work and asked that more time be allocated to its discussion.

## V. Joint Committee/Commission matters (Agenda Item 2)

### (a) Global Forest Policy Matters

*Documentation*: ECE/TIM/2017/3; FO: EFC/2017/3

15. Mr. Manoel Sobral, Director of the United Nations Forum on Forests, introduced the United Nations strategic plan for forests 2017-2030and next steps for its implementation. He stressed that implementation rests with countries in particular through voluntary national contributions.

16. The Commission and the Committee encouraged countries to:

(a) Actively engage in the work of the United Nations Forum on Forests and the implementation of the United Nations strategic plan for forests 2017-2030, to define and adopt voluntary national contributions to the United Nations strategic plan for forests 2017-2030 at regional and national levels as they relate to forests by strengthening the socio-economic contributions of forests; and to monitor progress, using the UN Forest Instrument and national forest programmes as frameworks for implementation; and

(b) Continue efforts to integrate actions related to climate change into their national forest programmes and to reflect forests adequately in their climate change mitigation and adaptation strategies and plans, and define and implement forest-related national determined contributions.

17. The Commission and the Committee appreciated the joint work done by ECE and FAO and requested ECE and FAO, within their existing mandates, to:

(a) Continue to support country implementation of the SDGs and the 2030 Agenda as they relate to forests, and the United Nations strategic plan for forests 2017-2030 in cooperation with the Collaborative Partnership on Forests members;

(b) Update member States and other stakeholders on the forest-related global and regional policy developments, building also on the possible input from the ECE/FAO Network on Forest Policy, to contribute to the achievement of SDGs and the United Nations strategic plan for forests 2017-2030 implementation and review process; and

(c) Continue forest monitoring and outlook work in the region.

### (b) Regional Cooperation

18. Ms. Ľudmila Marušáková, Head of the Liaison Unit Bratislava, Forest Europe, informed the meeting about cooperation activities with the ECE and FAO. Delegates expressed their appreciation on the improved cooperation and stressed the importance of continuing to undertake joint activities while avoiding overlaps and to enhance synergies. Several delegates stressed the need for an agreement on the use of the three logos and copyright of the State of Europe's Forests.

19. Mr. Antoine Nunes, Environmental Affairs Officer at ECE, informed the meeting about ECE Environment Performance Review activities in support of the cooperation between the ECE/FAO Forestry and Timber Section and the Environment Division of ECE.

20. Countries were invited to participate in the European Youth Forest Contest "Young People in European Forests".

**(c) Seventieth anniversary of the ECE/FAO Partnership**

*Documentation*: ECE/TIM/2017/Inf.1; FO:EFC/2017/Inf.1

21. Ms. Natálie Benešová from the Department of Forest Policy and Economics, Ministry of Agriculture of the Czech Republic and Mr. Tomáš Krejzar, Director of the Department of Forest Policy and Economics, Ministry of Agriculture of the Czech Republic, informed delegates of the celebrations of the seventieth anniversary of the partnership between ECE and FAO, held in Mariánské Lázně, Czech Republic, from 5 to 7 September 2017. At the meeting, participants reviewed and endorsed an anniversary message, proposed by the Czech Republic. This anniversary message highlights the important achievements in protecting and managing forests in the region over the past seventy years, as well as the need for cooperation to address future challenges. ECE/TIM/2017/Inf.1–FO:EFC/2017/Inf.1 contains the anniversary message. They also referred to the forest certification discussion held during the same meeting. The Committee and the Commission thanked the Government of the Czech Republic for hosting that important event.

**(d) Report of the Working Party**

*Documentation*: ECE/TIM/EFC/WP.2/2017/2

22. Mr. Jeffrey Prestemon, United States of America, in his capacity as Chair of the Joint ECE/FAO Working Party on Forest Statistics, Economics and Management, presented the report of the thirty-ninth session of the Joint Working Party on Forest Statistics, Economics and Management, which took place from 29-31 March 2017 in Geneva. In his presentation, Mr. Prestemon focused on Item 6 – guidance on Work Areas 1-4. The full presentation is available on the website of the ECE/FAO Forestry and Timber Section: http://www.unece.org/forests/las2017.

23. The Committee and the Commission expressed their appreciation for the work of the Joint Working Party on Forest Statistics, Economics and Management and the Teams of Specialists reporting to it, and stressed that all Teams of Specialists play a vital role in supporting the implementation of the Integrated Programme of Work and as a platform for exchange of technical expertise among member States.

**(e) Review of 2017 activities, and activities and publications planned for 2018**

*Documentation*: ECE/TIM/2017/4; FO:EFC/2017/4

24. Delegates considered a list containing information on 2017 activities and tentative activities proposed for 2018. The Committee and the Commission endorsed the list.

**(f) Global Forest Resources Assessment 2020, enhanced and streamlined international reporting**

*Documentation*: ECE/TIM/2017/5; FO:EFC/2017/5

25. Mr. Anssi Pekkarinen FAO Senior Forestry Officer and Mr. Roman Michalak, Forestry Officer, ECE/FAO Forestry and Timber Section, informed the meeting about the preparations for the Global Forest Resources Assessment 2020 and plans for ECE/FAO/Forest Europe joint data collection on forest and sustainable forest management.

26. The Commission and the Committee encouraged countries to:

(a) Participate actively in the Global Forest Resources Assessment 2020 reporting

process, including the review and validation of remote sensing products;

(b) Collaborate with ECE, FAO and partner institutions to achieve synergies in data collection, analysis and management, and to reduce duplication of efforts; and

(c) Support the implementation of the ECE/FAO/Forest Europe proposal on joint pan-European reporting.

27. The Commission requested FAO to:

(a) Continue supporting the development of the global core set concept and contribute to the collection of data for those indicators that are relevant for the Global Forest Resources Assessment 2020;

(b) Continue the development and implementation of the new Global Forest Resources Assessment 2020 online platform to allow voluntary event-based submissions, reviews and annual reporting on SDG indicators 15.1.1 and 15.2.1;

(c) Further strengthen the Collaborative Forest Resources Questionnaire and consider options for expanding it towards reporting with regional Criteria and Indicator processes;

(d) Make the country-specific remote sensing datasets available for national validation and to provide the necessary tools and support for data analysis and management; and

(e) Initiate capacity development activities on remote sensing methodologies and national spatial data infrastructure.

28. The Commission and the Committee requested FAO and ECE to continue to work together with Forest Europe to implement ECE/FAO/Forest Europe joint data collection on forests and sustainable forest management in the region and coordinate it with the global reporting to the extent possible in a cost effective manner. The Committee and the Commission suggested a revision of the joint data collection (ECE/TIM/2017/5; FO:EFC/2017/5, Annex 1 item 17) to, *inter alia*, further clarify how these data should be referred to in third party publications.

29. The issue of the United Nations copyright for the State of Europe's Forests report was pointed out as an important matter for a few countries.

### (g) System for the Evaluation of Management of Forests

*Documentation*: ECE/TIM/2017/6; FO:EFC/2017/6

30. Mr. Christopher Prins, independent consultant, introduced the principles of the System for the Evaluation of the Management of Forests and informed the Committee and the Commission about the results of, and experiences from, the pilot application of the approach that was carried out through the ECE/FAO Team of Specialists on Monitoring Sustainable Forest Management. The Committee and the Commission welcomed the information presented and appreciated the work done by Mr. Prins, the ECE/FAO Joint Working Party on Forest Statistics, Economics and Management, the ECE/FAO Team of Specialists on Monitoring Sustainable Forest Management, national correspondents and all other experts who contributed to this project.

31. The Committee and the Commission underlined the importance of the pilot study. The tool was considered useful for the development of methodology for assessing sustainable forest management at the national level. However, concerns remain with regard to several technical issues and the tool's political dimension (e.g. definition of common thresholds). Participants discussed possible follow up action to the project, at the national as well as the regional level, but no specific activity was agreed upon.

**(h) Integrated Programme of Work**

*Documentation*: ECE/TIM/2017/7; FO:EFC/2017/7

*Documentation*: ECE/TIM/2017/8; FO:EFC/2017/8

32. Ms. Marta Gaworska introduced the document containing the draft Integrated Programme of Work and opened the floor for general comments. After several delegations made their comments, and following the proposal by the co-chairs, the meeting agreed to establish a contact group to discuss the Integrated Programme of Work in the margins of the official session. Ms. Liubov Poliakova (Ukraine) and Mr. Guy Robertson (USA) were invited to co-chair the contact group.

33. The co-chairs of the contact group presented a draft, which was subsequently adopted by the Committee and the Commission and is attached in Annex I. Participants decided to name the Integrated Programme of Work "Warsaw Integrated Programme of Work", to honour the host country.

**(i) Any other business**

34. At the request of a delegation the issue of "Cooperation between ECE and FAO secretariats" was put on the agenda. Under this item delegates expressed their satisfaction with the continued cooperation between ECE and FAO and the work of the ECE/FAO Forestry and Timber Section. Delegations encouraged ECE and FAO to keep the Partnership Agreement under review, as appropriate, in light of changing circumstances and needs related to the implementation of the Warsaw Integrated Programme of Work. ECE and FAO stressed their openness to feedback on delivery of outputs and noted that decisions related to the ECE-FAO Partnership Agreement rest with the Executive Heads of the two organizations.

**(j) Market discussions (Item 3(a) of the provisional agenda)**

*Documentation*: ECE/TIM/2017/9; FO:EFC/2017/9

35. The market discussions were opened by Ms. Marta Gaworska. The secretariat introduced the topic and explained what background information was available. The following experts took part in the discussions:

36. Iain Macdonald, acting director of the Tall Wood Design Institute, presented developments of tall wood buildings in the ECE region, with a focus on North American research, production and use of products, namely cross-laminated timber. Discussion from the delegates covered the use of policy tools to encourage the use of wood, new cross-laminated timber production and the cost saving potential of using wood for these larger buildings.

37. Lotta Hahn, freelance architect, presented on how shifting global demographics, changes in preferences, technological advancements, and environmental sustainability problems will impact the development of the furniture industry.

38. Andrzej Samborski, expert for the Polish Papermakers Association, gave a presentation on the current situation in Poland regarding their rapidly growing production and consumption of forest products.

39. Sten Nilsson, Chief Executive Officer, Forest Sector Insights AB, presented on the status of wood products' production, trade and consumption in Europe. He pointed out the strategic challenges faced by the sector. Comments and questions from delegates were focused on policy measures to stimulate the use of wood and the effects of trade measures on Europe's sawnwood industry.

40. Nikolai Ivanov, vice president of the Union of Timber Manufacturers and Exporters of Russia, presented the forest products market developments in the Russian Federation relating to production, trade and consumption, both at present and as forecasted into the future. Comments from the delegates were related to export restrictions and their impact on where the creation of value-added will be located.

41. Russ Taylor, managing director at Forest Economics Advisors, presented the North American market trends in the forest products sector, which has had a dramatic rebound in both price and demand for many wood products. He further elaborated upon the current status of the Softwood Lumber Agreement between the United States of America and Canada. Discussion focused on the drivers of this growth (housing construction and remodel), and the importance and scope of certification for North American forest products.

42. Werner Kurz, Senior Research Scientist at the Canadian Forest Service (Natural Resources Canada), presented on the role of the forest sector in climate change mitigation. He highlighted that the use of wood for long-lived products shows emission reducing benefits in their carbon emission model, as opposed to short-lived products, e.g. paper and energy. Delegates asked why only managed forests were accounted for in climate change mitigation targets; namely the aim is to limit anthropogenic emissions and not natural events, which are largely beyond human control. There was also discussion regarding the model used by Canada, its availability, how tree age fits into the model, and the general need for more research and collaboration regarding carbon accounting in unmanaged forests and substituting wood for carbon intensive building materials. All presentations of the market discussions are available on the website of the ECE/FAO Forestry and Timber Section: http://www.unece.org/forests/las2017.

43. The joint session took note of the rising concerns that trade restrictions for export and import may increasingly impede the free trade of unprocessed and processed wood products. The joint session further took note that considering embodied energy in buildings as part of the lifecycle assessment, as a basis for decision-making, might significantly support the use of wood as a building material in the ECE member States.

44. The Committee and the Commission expressed their appreciation for the work of the ECE/FAO Forestry and Timber Section on the organization of the market discussions. These market overviews and the following discussion, which addressed the key developments and drivers of change for the forest sectors in the region, were reflected in the market statement, which was reviewed by a drafting committee and is attached to this report (Annex II).

# VI. ECE Committee on Forests and the Forest Industry matters (Agenda Item 3)

## (a) Matters arising from the sixty-seventh session of the Economic Commission for Europe

45. Ms. Marta Gaworska, Chair of the Committee introduced agenda item 3 on Committee matters.

46. Ms. Paola Deda, secretary of the Committee, presented decisions adopted by ECE at their sixty-seventh session held in Geneva, Switzerland in April 2017, that are relevant to the Warsaw Integrated Programme of Work. In particular, she noted the establishment of the Regional Forum on Sustainable Development, which will serve as a regional mechanism to follow-up and review the implementation of the 2030 Agenda. The next Forum to take place in Geneva on 1 to 2 March 2018 will review SDG 7, SDG 12 and SDG

15, which are of high relevance to the regional work on forests. She invited countries who might be interested in presenting their experiences to approach ECE.

47. The Committee took note of the information provided.

**(b) Matters arising from the seventy-fourth session of the Committee on Forests and the Forest Industry**

48. Ms. Paola Deda, secretary of the Committee, informed the meeting about actions undertaken as a follow-up to the decisions taken at its last session.

49. The Committee took note of the information.

**(c) Draft Rules of Procedure for the Committee**

*Documentation*: ECE/TIM/2017/10; FO:EFC/2017/10

50. The meeting considered Draft Rules of Procedure for the Committee based on comments received during the Committee session in Engelberg, Switzerland, in November 2015. The Committee could not agree on the current version as well as on the necessity to have Rules of Procedure for the Committee in general, and finally decided to postpone the discussion to the next session. The comments provided by the delegates during the discussion will be reflected in a new draft version for the next session.

51. Further to the request of some member States to change the frequency of Committee meetings, the secretariat indicated that any proposals in this regard should be addressed to the Economic Commission for Europe.

**(d) Programme of Work and publications 2018-2019**

*Documentation:* ECE/TIM/2017/11; FO:EFC/2017/11

52. The Chair introduced the Programme of Work for subprogramme 7 of the Economic Commission for Europe (Forestry and Timber).

53. The Programme of Work was adopted as contained in document ECE/TIM/2017/11; FO:EFC/2017/11 with the following amendments:

(a) In paragraph 1. the following sentence was added after "2019": "This Programme of Work supports the ECE/FAO Integrated Programme of Work."; and

(b) In paragraph 7. the word "voluntary" was added before "implementation of the Action Plan for the Forest Sector in a Green Economy"

**(e) Strategic Framework 2020-2021**

*Documentation*: ECE/TIM/2017/12; FO:EFC/2017/12

54. The Chair invited delegates to review and adopt the Strategic Framework 2020-2021.

55. The Committee adopted the Strategic Framework 2020-2021 as contained in document ECE/TIM/2017/12; FO:EFC/2017/12 with the following amendments:

(a) In paragraph 1 the following sentence was added after "Division": "This Programme of Work supports the ECE/FAO Integrated Programme of Work."; and

(b) In paragraph 2 the word "voluntary" was added before "implementation of the Action Plan for the Forest Sector in a Green Economy".

**(f) Election of officers**

56. The following individuals were re-elected to hold office until the end of the seventy-sixth session: Ms. Marta Gaworska (Poland) as Chair, and Mr. Christoph Dürr (Switzerland), Mr. Guy Robertson (United States) and Ms. Maria Sokolenko (Russian Federation) as Vice-Chairs.

**(g) Date and place of the next session**

57. The delegation of Canada expressed interest in hosting the Committee session in 2018 in Vancouver, Canada. The Committee welcomed their proposal. Canada will revert to the Committee secretariat by the end of the month. The secretariat will keep the Bureau of the Committee informed.

58. The delegation of the Russian Federation expressed interest in hosting the joint session of the Committee and the Commission in 2019 in the Russian Federation. The Committee welcomed their proposal. The Russian Federation will revert to secretariat of the Committee and the Commission in due course. The secretariat will keep the Bureau of the Committee and the Commission's Executive Committee informed.

**(h) Any other business**

59. There was no other business discussed.

## VII. FAO European Forestry Commission matters

**(a) Follow-up to the decisions of the thirty-eighth session of the European Forestry Commission**

*Documentation*: ECE/TIM/2017/13; FO:EFC/2017/13

60. Mr. Kenan Kilic, Chair of the FAO European Forestry Commission, introduced agenda item 4 on Commission matters.

61. Mr. Ekrem Yazici, secretary of the Commission, introduced the document, informing on actions undertaken in response to the requests made by the Commission during its thirty-eight session.

62. The Commission appreciated the follow up activities and requested FAO to:

(a) Integrate adaptation activities to climate change works stressing the importance of the "no mitigation without adaptation" approach; and

(b) Renew the work with the Advisory Panel on Forest Knowledge (APFK) to provide guidance for modernizing forestry related education.

**(b) Forestry activities of the FAO Regional Office for Europe and Central Asia**

63. Mr. Norbert Winkler, FAO Regional Office for Europe and Central Asia Forestry Officer, presented activities in 2016-2017 in the FAO Regional Office for Europe and Central Asia.

64. Mr. Peter Pechacek, FAO Subregional Office for Central Asia Forestry Officer, presented activities in 2016-2017 in the FAO Subregional Office for Central Asia.

65. Delegates welcomed the presentations and appreciated FAO's work in the region. They requested that the information about FAO forestry work in the entire region be made available prior to future sessions. Delegates furthermore requested information on how the Commission could support best the development of the programme of work and budget in

the region. Delegates also stressed the need for avoiding duplication between the Warsaw Integrated Programme of Work and FAO regional work and noted with satisfaction that the activities are aligned and complementary, and they are neither part of nor duplicating the work of the Warsaw Integrated Programme of Work.

66. The Commission recommended FAO to:

(a) Prepare a background document for regional activities for the next session of the Commission, including the creation of an online information platform on project activities;

(b) Promote broader participation of the different stakeholders, in particular from forestry, in the FAO Country Programming process; and

(c) Support countries in developing strategies and measures aiming at prevention and control of transboundary forest pest and diseases, thus to increase vitality of forests in the context of climate change.

**(c) Establishment of Forest Invasive Species Network for Europe and Central Asia**

*Documentation*: ECE/TIM/2017/14; FO:EFC/2017/14

67. Ms. Shiroma Sathyapala, FAO Forestry Officer, delivered a presentation and informed the delegates of the establishment of the FAO platform on Forest Invasive Species Network for Europe and Central Asia.

68. The Commission encouraged countries to participate in the platform of the Forest Invasive Species Network for Europe and Central Asia, and contribute to the activities of this network to strengthen regional collaboration in relation to the work on forest invasive species in the region.

69. The Commission recommended FAO to:

(a) Continue supporting the establishment and functioning of the platform of the Forest Invasive Species Network for Europe and Central Asia and the implementation of its activities;

(b) Facilitate the Forest Invasive Species Network for Europe and Central Asia in linking up and cooperation with the European Commission Joint Research Centre European Alien Species Information Network and other European initiatives;

(c) Engage in cross-cutting and inter-departmental work, in particular through the relevant Major Areas of Work and/or Regional Initiatives of the FAO Regional Office for Europe and Central Asia defined under the FAO Strategic Framework;

(d) Support cross sectoral plant protection measures to contribute to biodiversity conservation, and climate change adaptation and mitigation, as well as the conservation and sustainable use of natural resources;

(e) Support country efforts to plan and implement activities within the scope of the Platform, in particular through training and capacity development work; and

(f) Provide technical support to manage forest pests, which are not necessarily considered as invasive species.

**(d) Forest and Landscape Restoration works under climate change conditions in the region**

*Documentation*: ECE/TIM/2017/15; FO:EFC/2017/15

70. Mr. Anssi Pekkarinen, FAO Senior Forestry Officer, presented the progress on the implementation of the FAO Forest and Landscape Restoration Mechanism and possible implementation of the Mechanism in the region.

71. The Commission discussed the presentation and invited countries to:

(a) Develop or strengthen mechanisms to ensure greater inter-sectoral cooperation amongst various land management agencies responsible for agriculture, forestry, fisheries, and livestock management through a more integrated landscape approach;

(b) Ensure involvement of forest owners and farmers as well as other partners in developing qualitative forest and landscape restoration targets;

(c) Strengthen forest and landscape restoration activities at all levels and support the mobilization of adequate resources;

(d) Provide financial and/or in-kind contributions to scale up the Forest and Landscape Restoration Mechanism at FAO; and

(e) Encourage countries to include work on forest and landscape restoration into voluntary national contributions in the framework of the United Nations strategic plan for forests 2017-20130.

72. The Commission recommended FAO to:

(a) Support country efforts in the region to plan and implement activities related to the restoration of forests and other degraded lands, in particular through activities of the Forest and Landscape Restoration Mechanism, including national strategy and action plans, and also in the framework of the possible "European Forest and Landscape Restoration Initiative";

(b) Assist countries to develop consistent definitions for "degraded forest" in relation to the Convention on Biological Diversity and the Aichi Targets;

(c) Seek further cooperation with regional partners to promote the restoration of degraded lands, in particular through direct involvement in global partnerships and initiatives, including the Global Partnership on Forest and Landscape Restoration, International Model Forest Network, and the Landscapes for People, Food and Nature initiative, as well as with the members of the Collaborative Partnership on Forests;

(d) Engage in cross-cutting and inter-departmental work to support landscape approaches; and

(e) Pursue active engagement with multilateral, bilateral and private sector resource partners, including the Global Environment Facility, the Green Climate Fund and multilateral and regional development banks, to enable FAO to increase its support to member States and regional economic integration organizations in forest and landscape restoration activities.

### (e) Progress of Silva Mediterranea and the Working Party on the Management of Mountain Watersheds

*Documentation*: ECE/TIM/2017/16; FO:EFC/2017/16

73. Mr. Jose Manuel Jaquotot, Chair of the Silva Mediterranea, provided an overview of the activities conducted under the auspices of Silva Mediterranea, including the State of Mediterranean Forests and the Agadir commitment from the fifth Mediterranean Forest Week.

74. The Commission noted the development of activities related to the young entrepreneurship in the bioeconomy as a way to address the challenges faced by Mediterranean forests in the context of global changes.

75. The Commission encouraged the development of activities on forest and landscape restoration in the Mediterranean region.

76. On the Working Party on the Management of Mountain Watersheds of the Commission, Mr. Peter Csoka, secretary a.i. of the Working Party, provided an overview of activities.

77. The Commission noted the need for:

(a) Strengthening further the members' commitment to the Working Party, including through designating national focal points; and

(b) Providing continued guidance for the Working Party, in particular in terms of priority topics to be addressed by the group.

78. The Commission also noted the potential offered by the Working Party in communicating messages to other communities involved in watershed and disaster risk management.

**(f) Strengthening FAO's work on boreal and temperate forests**

*Documentation*: ECE/TIM/2017/17; FO:EFC/2017/17

79. Mr. Andrey Kushlin, Deputy Director, FAO Forestry and Resources Division, presented FAO's analysis of issues and options for strengthening work on boreal and temperate forests.

80. With regard to the geographic scope, the Commission agreed that the prevailing difference between boreal and temperate forests does not justify a unified approach to these two biomes, while separate, more focused efforts on boreal and temperate domains would be more likely to yield the intended impacts.

81. With regard to the institutional arrangements, the Commission recognized the richness of existing platforms and acknowledged the dynamic and flexible value of semiformal/ informal mechanisms, while at the same time acknowledging the importance of creating additional political momentum in support of the efforts of the participating countries that would help catalyze the needed continuity and planning depth for scientific and technical cooperation.

82. The Commission recommended FAO to consider a more active cooperation with the existing mechanisms instead of creating any additional platform and encouraged these mechanisms to seek a stronger involvement from FAO and ECE as appropriate. The Commission further encouraged FAO to continue building up its operational and information support to member States in the Region of the FAO Regional Office for Europe and Central Asia in regard to both boreal and temperate forests.

83. The Commission welcomed the announcement by Sweden of the Ministerial Summit of Boreal Forest Countries (involving Canada, Finland, Norway, Russian Federation, Sweden, and the United States) proposed to be held in Sweden in June 2018. The Commission noted that the outcomes of the proposed summit could be well placed to be presented to the next session of the FAO Committee on Forestry in the context of the boreal and temperate forest agenda.

**(g) Contributions of FAO's work in forestry to the implementation of the SDGs within the scope of Regional Initiatives of the FAO Regional Office for Europe and Central Asia**

*Documentation*: ECE/TIM/2017/18; FO:EFC/2017/18

84. Mr. Ekrem Yazici, secretary of the Commission, presented an overview of implementation of the SDGs within the scope of FAO's Regional Office for Europe and Central Asia's Regional Initiatives from the forestry perspective.

85. The Commission encouraged countries in the region to:

(a) Recognize the multi-functional roles of forests in the implementation of the Regional Initiatives of the FAO Regional Office for Europe and Central Asia and their contributions to the SDGs;

(b) More effectively incorporate integrated landscape approaches amongst various land management agencies responsible for agriculture, forestry, fisheries and livestock management into relevant national planning processes and enhance intersectoral collaboration at the landscape level;

(c) Provide financial and/or in-kind contributions to support the FAO regional forestry programmes and relevant global programmes and tools, including forest and landscape restoration, Forest and Farm Facility, Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security, and phytosanitary standards in forestry in the region; and

(d) Send consistent messages to the FAO Regional Conference for Europe as related to the role of forests in regional strategies and programmes.

86. The Commission recommended FAO to:

(a) Strengthen the integration of specific forestry programmes (including the Forest and Farm Facility, Forest and Land Restoration, Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security, work on agro-forestry and urban forestry) and other operational forestry work into existing and future Regional Initiatives of the FAO Regional Office for Europe and Central Asia, taking into account the multi-functional roles of forests;

(b) Continue to support countries upon request in strengthening of national policy, financing, incentives, taxation and governance frameworks and measures, including regulations, standards and monitoring for forest management interventions and practices, and support capacity development in this regard; and

(c) Provide assessment tools, methodologies and data (including Geographic Information Systems and mapping) to evaluate the impacts of climate change and support the definition of policy and investment options and evidence based planning and management of the forest resources.

87. The Commission invited the Regional Conference to consider the Commission's recommendations in its deliberations on current and future Regional Initiatives and on the programme of work and budget.

**(h) The Committee on World Food Security High-level Panel of Experts on Food Security and Nutrition study on sustainable forestry for food security and nutrition**

*Documentation*: ECE/TIM/2017/19; FO:EFC/2017/19

88. Mr. Andrey Kushlin presented the summary and recommendations of the Committee on World Food Security High-level Panel of Experts on Food Security and Nutrition.

89. In view of the importance of sustainable forestry for food security and nutrition as highlighted by the study of the High-level Panel of Experts, the Commission recognized that the sustainable management of forests is essential for achieving SDG 2 "End hunger, achieve food security and improved nutrition and promote sustainable agriculture".

90. The Commission invited countries to consider the recommendations of the High-level Panel of Experts and initiate appropriate actions.

91. The Commission requested FAO to:

(a) Support countries in enhancing the contributions of forests and trees to food security and nutrition, in particular in countries most in need;

(b) Support and promote the role of women in forestry and food security;

(c) Identify, document and disseminate best practices regarding food security and nutrition mainstreaming in forestry; and

(d) Develop guidelines for mainstreaming food security and nutrition objectives in forest and other related sectors' policies as well as in forest management policy and practices.

### (i) A new strategic document for FAO in forestry

*Documentation*: ECE/TIM/2017/20; FO:EFC/2017/20

92. Mr. Andrey Kushlin presented the secretariat note on a new strategic document for FAO in forestry.

93. The Commission considered the elements for a new strategic document, supported the recommendations contained in the report and provided further guidance on the appropriate structure and key components.

94. In particular, the Commission stressed the need for:

(a) A new strategic document to support the implementation of the United Nations strategic plan for forests 2017-2030 including providing a clear vision on FAO's contributions to the Six Global Forest Goals contained therein, and visualize, substantiate and communicate this vision;

(b) The strategic document to be fully aligned with the SDGs, the FAO Strategy on Climate Change, the 2050 Vision and other relevant strategic documents;

(c) Recognizing clearly the role of collaboration and partnerships. In this context, the Commission also invited FAO to continue and enhance its leadership role in the Collaborative Partnership on Forests; and

(d) Giving due attention to specific areas including supporting countries in developing voluntary national contributions, implementing forest-related nationally determined contributions, supporting countries with economies in transition in climate change and activities to reduce emissions from deforestation and forest degradation, gender mainstreaming, the role of youth, and identifying and creating the right balance between the normative, and operational functions and address internal governance issues.

### (j) FAO contributions to the global process

*Documentation*: ECE/TIM/2017/21; FO:EFC/2017/21

95. Mr. Peter Csoka, FAO Senior Forestry Officer, presented the key outcomes of the four global processes and their implications for forestry globally and in the region, as well as for FAO.

96. The Commission invited countries to:

(a) Promote and monitor progress on the forest-related indicators and to report on progress during the High-level Panel of Experts' review of SDG 15 in 2018;

(b) Consider the recommendations of the Forest Action Day to foster enabling environments for cooperation among multiple stakeholders; facilitate implementation of open access tools for monitoring forests and land use, such as Collect Earth; recognize nationally determined contributions as an opportunity to devise forest related actions and mainstream REDD-plus[1] into national planning processes;

(c) Continue their efforts in implementing sustainable forest management as the forest sector's contribution to mainstreaming of biodiversity; and

(d) Provide a regional input through the Commission, in collaboration with the Committee and other relevant regional bodies, to UNFF13 and UNFF14 on its respective areas of expertise.

97. The Commission recommended the FAO Committee on Forestry to consider addressing, in collaboration with other FAO Technical Committees, the opportunities for translating the outcomes of international negotiations into concrete actions.

98. The Commission requested FAO to:

(a) Assist countries in strengthening their capacity to monitor forest-related SDG indicators and in strengthening the wider contributions of forests to the SDGs;

(b) Continue contributing to the Global Climate Action Agenda and to promote forest related initiatives, projects and programmes at COP23 as well as support countries in the development of their forest and other land use related proposals for the Green Climate Fund;

(c) Inform the FAO Committee on Forestry on plans and progress made in establishing the platform on mainstreaming biodiversity, as well as on FAO's work in promoting the conservation and sustainable use of forest biodiversity;

(d) Support the appropriate inclusion of the role of forests in the Convention on Biological Diversity strategies beyond 2020;

(e) Explore ways and means to help further enhance the forest sector's contribution to the mainstreaming of biodiversity;

(f) Support the work of the United Nations Forum on Forests including through analytical work, such as the State of the World's Forests and the Global Forest Resources Assessment; and assist countries, at their request, in developing voluntary national contributions; and

(g) Strengthen its leadership in the Collaborative Partnership on Forests and work towards strengthening support to the implementation of the United Nations strategic plan for forests 2017-2030 including through presenting the Collaborative Partnership on Forests workplan and the recommendation for a global core set of forest-related indicators to UNFF13 and to the FAO Committee on Forestry in 2018.

[1] United Nations Programme on Reducing Emissions from Deforestation and Forest Degradation and the Role of Conservation, Sustainable Management of Forests and Enhancement of Forest Carbon Stocks in Developing Countries

**(k) Frequency of the Commission sessions**

*Documentation*: ECE/TIM/2017/Inf.4; FO:EFC/2017/Inf.4

99. Mr. Ekrem Yazici, secretary of the Commission, presented FAO meeting and reporting cycles and relevant Commission rules for the consideration of the Commission.

100. The delegate of the Netherlands introduced the proposal and its rationale behind it. Some delegates noted that the proposal for annual Commission meetings would give the opportunity to take a decision on implementation on an annual basis during joint sessions and provide more time for guidance to the work of the Commission in the region.

101. Several delegates mentioned that the rationale was not satisfactory and did not see the need for annual Commission meetings. Several delegates mentioned more frequent sessions would be a burden to both member States and the secretariat and further mentioned that the secretariat should focus on the implementation of the Warsaw Integrated Programme of Work. Several delegates mentioned the possible role of the Joint Working Party during the inter-sessional period, but there was no consensus on changing the current Terms of Reference of the Joint Working Party. Several delegates also mentioned the importance of the Committee and Commission meeting jointly.

102. The Commission considered various options. Due to divergent views expressed by the delegates, the Commission could not conclude its considerations.

**(l) Contributions to FAO Governance**

*Documentation*: ECE/TIM/2017/22; FO:EFC/2017/22

103. Mr. Peter Csoka, FAO, presented a revised template for providing coordinated input to the agenda of the FAO Committee on Forestry, the FAO Regional Conference for Europe and for the FAO Programme of Work in Forestry and recalled the recommendations made by the Commission in the course of its deliberations.

104. Mr. Kenan Kilic, the Commission's Chair, presented the proposal of the Executive Committee for the recommendation for the agendas of the FAO Regional Conference for Europe and FAO Committee on Forestry.

105. The Commission made recommendation for the agenda of the FAO Committee on Forestry as contained in Annex III a.

106. The Commission also considered recommendations to the FAO Regional Conference for Europe as contained in Annex III b.

107. Regarding the recommendations for the FAO programme priorities in forestry, the Commission requested the secretariat to compile the recommendations made by the Commission during Las2017, establish linkages between these recommendations and the Strategic Objectives of FAO, and attach the compilation to this report as Annex III c.

**(m) Election of officers, date and place of next meeting**

108. In accordance with its Rules of Procedure and established practice, the Commission, by acclamation, elected Ms. Christine Farcy (Belguim) as Chair, and re-elected Mr. Rob Busink (Netherlands), Mr. Kenan Kilic (Turkey), and Ms. Liubov Poliakova (Ukraine) as Vice-Chairs, to hold office until the end of the fortieth session of the Commission.

109. The Commission warmly thanked Mr. Kenan Kilic, outgoing Chair, for his excellent service as Chair of the Commission and as Vice-chairperson of the FAO Committee on Forestry.

110. The delegation of the Russian Federation expressed interest in hosting the joint session of the Committee and the Commission in 2019 in the Russian Federation. The Commission welcomed the proposal. The Russian Federation will revert to secretariat of the Committee and Commission in due course. The secretariat will keep the Bureau of the Committee and the Commission's Executive Committee informed.

**(n) Any other business**

111. There was no other business discussed.

## VIII. Adoption of the joint session report and closure of the joint session

112. The Committee and the Commission adopted the present report in session.

113. The co-chairs of the session thanked delegates for their input to the report. The joint secretariat informed the participants that the final edited report would be issued soon.

114. The meeting also expressed its sincere appreciation to the Government of Poland for their commitment to international cooperation on forest work and their warm hospitality and excellent organization of the meeting.

115. The joint session was closed on Thursday, 12 October 2017 at 9.45 p.m.

[English only]

# Annex I

## Warsaw Integrated Programme of Work

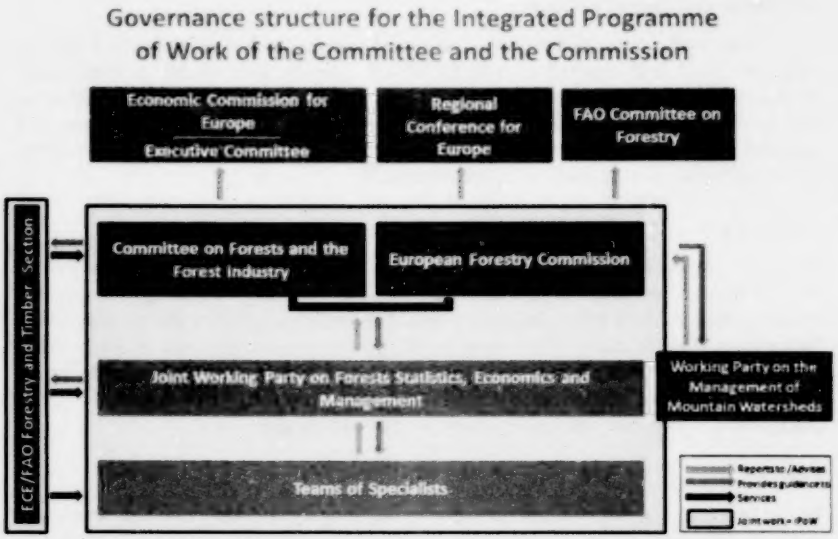
### I. Recommendations and decisions in support of the implementation of the Warsaw Integrated Programme of Work

1. The "Las2017", the joint session of the ECE Committee on Forests and the Forest Industry and the FAO European Forestry Commission, which took place in Warsaw, Poland from 9 to 13 October 2017, adopted the attached Warsaw Integrated Programme of Work for the period 2018-2021.

2. Formal governance is undertaken by the two parent bodies, the ECE Committee and the FAO Commission, which have the ultimate oversight responsibility for the implementation of the Warsaw Integrated Programme of Work. The frequency of meetings is decided in accordance with their respective rules of procedure. According to established practice, the Committee meets annually. The Commission's Rules of Procedure indicate that the Commission in principle meets every second year. The Committee and the Commission expect to hold joint sessions in 2019 and 2021 with the aim to further strengthen cooperation, build on synergies and ensure cost efficiency. During joint meetings, matters of relevance to the Committee or the Commission only would be considered separately and under specific agenda items during these sessions. The Joint ECE/FAO Working Party on Forest Statistics, Economics and Management, a subsidiary body of the Committee and the Commission, which contributes to the implementation of the Warsaw Integrated Programme of Work, meets annually.

3. The Warsaw Integrated Programme of Work will be implemented respecting mandates of FAO and ECE and based on comparative advantages in order to reach efficiency and avoid duplication. FAO and ECE will strive to avoid duplication amongst their respective activities and with other forest-related regional initiatives and projects.

4. A specific list of activities to implement the Programme is agreed on an annual basis by the Working Party and the Committee and the Commission. ECE and FAO are asked, in line with their governance structures, to present an overview of their forest-related work in the region to each session of the Working Party in order to facilitate the review of the proposed list.


Governance structure for the Integrated Programme of Work of the Committee and the Commission
Economic Commission for Europe
Executive Committee
Regional Conference for Europe
FAO Committee on Forestry
ECE/FAO Forestry and Timber Section
Committee on Forests and the Forest Industry
European Forestry Commission
Joint Working Party on Forests Statistics, Economics and Management
Working Party on the Management of Mountain Watersheds
Teams of Specialists

5. The Bureau of the Committee and the Executive Committee of the Commission are entrusted with providing guidance on the implementation of the Warsaw Integrated Programme of Work as needed. They should meet jointly at least twice annually and inform the member States and regional economic integration organizations about their decisions. The minutes of the meetings will be made available on the websites of both organizations.

6. Joint sessions should have the same name for each session – "forest" in the language of the country hosting the session and then the year of the session, when taking place outside ECE and FAO Headquarters.

7. The secretariat should continue and maintain the joint preparation and implementation of the Warsaw Integrated Programme of Work. The secretariat will service the sessions of the two intergovernmental bodies, the joint meetings of the Bureaux, produce joint publications and have a joint profile.

8. Member States and regional economic integration organizations are encouraged to strengthen coordination between delegates of the Committee and of the Commission at the national level in implementation of the Warsaw Integrated Programme of Work (for example, by appointing the same Head of Delegation for both).

9. The Committee and the Commission should encourage their members in linking the ECE and FAO work to activities at the national level in order to ensure feedback on the Warsaw Integrated Programme of Work and encourage the cooperation between countries in this regard.

**Data management**

10. At supranational level, data on forests and forest management are collected through regular and ad hoc processes. They are often collected, stored and disseminated separately, through different means and formats. Taking into account relatively long data collection cycles, this situation seriously hampers continuity, inter-connectivity, and planning for data

collection and its management. This also limits the availability and usability of the information collected at that level.

11. It is recommended that the organization and structure of data on forests (collected by ECE and FAO and retained by the ECE/FAO Forestry and Timber Section), their management, their functions and their services be analysed. While avoiding any duplication with existing similar repositories, the results of this analysis would provide the basis for a potential decision on the establishment of an electronic repository, enhancing the efficiency of data collection, management and dissemination.

**Private sector**

12. The involvement of the private sector, given its relevance to the work undertaken by the Committee and the Commission, should be increased, including through the encouragement of participation in existing subsidiary and expert bodies, and by maintaining high relevance of the market discussions for the private sector at the sessions while noting the essential benefits that forests goods and services provide to the public at large, which could then provide advice to the ECE and FAO regarding further private sector engagement. The market discussions should at least last one day.

**Funding**

13. The final list of activities prepared every year should help member States and regional economic integration organizations to further prioritize the work of the secretariat. A related budget is prepared and shared with the Joint Bureaux, member States and regional economic integration organizations after the approval of the list to understand the feasibility of activities and identify funding needs. Additional sources of funding will be sought from relevant global, regional and national donor organizations.

**Outreach**

14. To the upmost extent possible, communication activities shall be implemented with due regard to keeping a balance between subregions, Work Areas and between official languages of the Committee and the Commission in order to increase the impact and visibility of work.

**Partnerships**

15. Partnerships, within the scope of ECE and FAO relevant policies, should be established with other sectors, including through cooperation with other ECE Committees and FAO Commissions. Partnerships should be designed to serve to demonstrate the value of forests and forest products for other sectors (energy, environment, housing, employment, climate change, etc.) and consider the impacts of other sectors on the forest sector.

16. Cooperation with other intergovernmental organizations and processes, including the European Union, the Intergovernmental Council on Forestry and the Forest Industry of the Commonwealth of Independent States, Forest Europe, the United Nations Forum on Forests, the International Tropical Timber Organization, the International Union of Forest Research Organizations and the European Forest Institute, amongst others, should be fostered.

17. Good examples and best practices of cross-sectoral cooperation should be highlighted and showcased whenever possible.

18. Partnerships are expected to enhance synergies of work and cooperation amongst relevant organizations and processes to avoid fragmentation of regional work on forests.

## II. Warsaw Integrated Programme of Work (Part I)

19. The oversight responsibility for the implementation of the Warsaw Integrated Programme of Work of the Committee on Forests and the Forest Industry and the European Forestry Commission remains with the members of the Committee and the Commission.

20. The implementation and coordination responsibilities for the Warsaw Integrated Programme of Work of the Committee and the Commission rests primarily with ECE and FAO through the ECE/FAO Forestry and Timber Section. The implementation is supported by the Joint ECE/FAO Working Party on Forest Statistics, Economics and Management, the ECE/FAO Teams of Specialists, as well as relevant units of the ECE and FAO. The Programme is also implemented with the support of member States and regional economic integration organizations, in close cooperation with relevant organizations and processes at all levels and other relevant stakeholders participating in the Committee and Commission intergovernmental processes.

21. It will contribute to the implementation of: (i) the United Nations 2030 Agenda for Sustainable Development and the achievement of the SDGs, (ii) the United Nations strategic plan for forests 2017-2030, (iii) the United Nations Forum on Forests Quadrennial Programme of Work 2017-2020, (iv) the Aichi Biodiversity Targets, (v) the Paris Agreement adopted under the United Nations Framework Convention on Climate Change and (vi) other international objectives and processed relevant to forests, including the Bonn Challenge and the Rovaniemi Action Plan for the Forest Sector in a Green Economy.

### A. Scope

22. The Warsaw Integrated Programme of Work covers all fifty-six member States of the ECE region, in line with the Committee's membership[2]. Thirty-nine member States, which are all ECE member States, and the European Union, are members of the Commission[3].

23. The Programme encompasses the following main topics related to forests, sustainable forest management and the forest sector:

(a) The state of forests and the state of sustainable forest management;

(b) The implementation and promotion of sustainable forest management, according to the seven thematic elements of the United Nations Forest Instrument;

(c) Forest related industries, the use of forest products, as raw material, construction, and energy; and related innovation perspectives;

---

[2] Albania, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Luxembourg, Malta, Republic of Moldova, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Russian Federation, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Tajikistan, The former Yugoslav Republic of Macedonia, Turkey, Turkmenistan, Ukraine, United Kingdom, United States and Uzbekistan.

[3] Albania, Austria, Belarus, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Russian Federation, Slovakia, Slovenia, Spain, Sweden, Switzerland, The former Yugoslav Republic of Macedonia, Turkey, Ukraine, United Kingdom, Uzbekistan and the European Union.

(d) Forest and forest sector policies, institutions and instruments, including the linkages between forest and timber policies and other sectoral policies;

(e) The contribution of the forest sector in the transition towards a green economy, forest products and ecosystem services, employment and other socio-economic aspects; including economic viability of the sector; and

(f) To contribute to the implementation of the United Nations 2030 Agenda for Sustainable Development and the achievement of the forest-related Sustainable Development Goals as well as the implementation of United Nations strategic plan for forests 2017-2030, within the existing mandates of ECE and FAO.

## B. Overall goal

24. The overall goal of the Warsaw Integrated Programme of Work 2018-2021 of the Committee and the Commission is to support member States and regional economic integration organizations in their efforts to sustainably manage forests so that they provide forest goods and services to benefit society.

## C. Objective of the Warsaw Integrated Programme of Work

25. The Warsaw Integrated Programme of Work aims to assist member States and regional economic integration organizations to achieve the overall goal described above by: providing the best available information; facilitating policy dialogues and communication; and building capacity.

## D. Structure and Work Areas

26. The Warsaw Integrated Programme of Work remains structured around four main functions, or work areas, as follows:

**Work Area 1: Data, monitoring, reporting and assessment**

**Work Area 2: Policy dialogue and advice**

**Work Area 3: Communication and outreach**

**Work Area 4: Capacity-building**

27. Actions contained in the Rovaniemi Action Plan and attributed to the ECE/FAO Forestry and Timber Section are indicated in an annex to the Plan with an asterisk and are reflected in the annual list of activities as part of the Warsaw Integrated Programme of Work 2018-2021, subject to availability of financial and human resources.

28. Specific activities and outputs proposed for the four Work Areas are outlined below.

**Work Area 1: Data, monitoring, reporting and assessment**

29. The data collection and reporting work in the region consists of the following:

(a) Collection, validation and dissemination of statistics and other information on: forest resources, forest products (wood and non-wood), forest functions and services, progress toward sustainable forest management, forest policies, institutions and instruments, and the contribution of the forest sector to a green economy;

(b) Analysis and assessment of the state of forests, sustainability of forest management and forest products markets; and monitoring the role of the forest sector in a green economy; and

(c) Cooperation and contribution to international processes on sustainable forest management, including on the development and use of regional Criteria and Indicators and collaboration with Forest Europe in the preparation of the report on the State of Europe's Forests.

30. The monitoring and analysis of developments in various forest-related areas and cooperation with other relevant organizations working in these areas, while avoiding duplication. This includes the gathering of comprehensive statistics and data (quantitative and qualitative), and developing methodologies for data collection, analysis and assessments on:

(a) Forest product markets and services;

(b) Current forest conditions, sustainable forest management, and the functions and services forests provide;

(c) Long-term supply of and demand for wood and other forest goods and services;

(d) Use of wood energy and its implications for sustainable forest management; and

(e) Jobs, employment and working conditions.

31. Data are collected in partnership with member States and regional economic integration organizations, international organizations and the scientific community, based on agreed standards and rules. The Team of Specialists will pay particular attention to the integration and consolidation of reporting activities with other processes in the region (e.g. Forest Europe, Global Forest Resources Assessment 2020 process). Activities under Work Area 1 are also expected to improve the quality of information, ensuring international compatibility, storage, dissemination and analysis of the information, and to assist member States and regional economic integration organizations in strengthening their capacity in this area (see Work Area 4 on capacity-building).

32. Outputs from this Work Area include: the Forest Products Annual Market Reviews; the State of Europe's Forests (in collaboration with Forest Europe); the Joint Forest Sector Questionnaire; the Timber Forecast Questionnaire; the Joint Wood Energy Enquiry; the Collaborative Forest Resources Questionnaire; the regional input to the FAO Global Forest Resource Assessment 2020 in cooperation with Forest Europe; associated databases of the previously mentioned outputs, Market Statement, forecast tables; the reporting of progress towards implementation of the 2030 Agenda on Sustainable Development and achievement of forest-related SDGs, and the United Nations strategic plan for forests 2017-2030; studies on forest employment and working conditions; assessment of the contribution of the forest sector to a green economy; and ad hoc enquiries and studies contributing to areas mentioned above in paragraph 30, upon decision by the Committee and the Commission.

**Work Area 2: Policy dialogue and advice**

33. This component involves the organization of regional policy dialogues and specific studies and the facilitation of national dialogues on request from member States and regional economic integration organizations. The subjects to be covered will address issues mentioned in the scope of the Warsaw Integrated Programme of Work. This work will contribute to the implementation of the 2030 Agenda and forest related SDGs, the United Nations strategic plan for forests 2017-2030 and the United Nations Forum on Forests

Quadrennial Programme of Work 2017-2020, and to the relevant global (mainly the United Nations Forum on Forests and the FAO Committee on Forestry, regional and national forest dialogues. Activities in this Work Area also contribute to efforts to promote cross-sectoral cooperation.

34. Outputs from this Work Area include:

(a) Analyses, guidelines and recommendations to support member States and regional economic integration organizations in implementing the above mentioned initiatives and plans;

(b) Contributions to the Forest Europe Work Programme;

(c) Policy dialogues and workshops for the region;

(d) Forest Sector Outlook Studies; and

(e) Policy-related parts of relevant ECE and FAO joint work/studies, such as relevant reviews and reports on the status and trends in forests and sustainable forest management.

**Work Area 3: Communication and outreach**

35. Communicating effectively within and outside the forest and forest products sector is essential to promote sustainable forest management. Enhancing the efforts of the Committee and the Commission to reach out to relevant constituencies to draw attention to the regional priorities in the forest sector and to increase the dissemination of the information and tools produced, at the national, regional and global levels, will make an important contribution to this end. This will be achieved through:

(a) Providing a regional platform for international cooperation in forest related communication (through the Forest Communicators Network Team of Specialists);

(b) To contribute to the dissemination of information on and the implementation of Work Area 1, Work Area 2 and Work Area 4;

(c) Organizing events and campaigns in support of sustainable forest management and forest products and services (e.g. the International Day of Forests, the European and Global Forest Weeks);

(d) Dissemination of information produced under the Warsaw Integrated Programme of Work via policy briefs, press briefs, the Forest Information Billboard, social media/networks, videos and ad hoc studies, whenever results are available and new information released;

(e) Maintaining and improving the ECE/FAO website especially regarding user-friendliness and design;

(f) Contributing to the organization of relevant events in member States and regional economic integration organizations and the dissemination of their forest-related announcements (e.g. capacity-building workshops, special public relations events) in cooperation with member States, regional economic integration organizations and other stakeholders;

(g) Carrying out outreach activities beyond the forest sector for disseminating information that highlights the relevance of forests and forest products and services to other sectors (e.g. energy events, biodiversity and environment meetings, sustainable construction and buildings); and

(h) Communicating effectively the news and updates from the work at other forest-related international fora.

36. Outputs from this Work Area include:

(a) Events and campaigns (e.g. contribution to the organization of International Forest Day events, contribution to the organization of the European Forest Week, etc.);

(b) Policy briefs;

(c) Press briefs;

(d) Contribution to the Forest Information Billboard;

(e) Contribution to, and dissemination of, ad hoc studies through communication channels; and

(f) Inputs to the website.

**Work Area 4: Capacity-building**

37. While all member States and regional economic integration organizations benefit from international cooperation through the Warsaw Integrated Programme of Work, technical assistance is available to countries in Eastern and South Eastern Europe, the Caucasus and Central Asia. This work on capacity-building aims at encouraging sustainable forest management, data collection, monitoring and analysis as well as promoting the engagement of national experts from the region in activities relevant to the region. It covers the themes encompassed in the scope of the Warsaw Integrated Programme of Work, including:

(a) National systems for forest monitoring and statistical reporting;

(b) Forest communication strategies;

(c) Mitigation of and adaptation to climate change;

(d) Forest landscape restoration and the Bonn Challenge;

(e) The implementation of the United Nations strategic plan for forests 2017-2030 and countries' voluntary national contributions; and

(f) The contribution of the forest sector to:

i. a green economy;

ii. the implementation of the 2030 Agenda for Sustainable Development and the achievement of forest-related SDGs;

iii. the implementation of the Paris Agreement.

38. This Work Area also benefits from the implementation of the United Nations Development Account project on "Accountability Systems for Sustainable Forest Management in the Caucasus and Central Asia" (2016-2019).

39. Outputs from this Work Area include:

(a) Publications;

(b) Capacity-building workshops;

(c) Training material and recommendations;

(d) Technical assistance;

(e) Provision of specific, targeted expertise; and

(f) Enhanced cooperation and development of contacts in the target countries.

## E. Principles guiding implementation

40. Implementation should be guided by the following principles:

**Partnership**

41. There will be a strong focus on working in partnerships with international and regional actors as the most effective way of optimizing benefits and avoiding potential duplication of activities. The Committee and the Commission will seek and welcome cooperation for any of the relevant outputs under the four Work Areas.

**Outreach to other constituencies**

42. In the implementation of the Warsaw Integrated Programme of Work, the Committee and the Commission will look beyond the traditional forest constituency to make sure the relevance of the forest sector and its contribution to other sectors is well recognized and understood. They will coordinate relevant actions with, for example, the environment, biodiversity, energy, water, agriculture, construction and building sectors, using the potentials offered by the ECE and FAO.

**Expert advice**

43. The work and expected outputs of the Teams of Specialists will be fully aligned with the Warsaw Integrated Programme of Work and its objectives and will support the related areas of work, recognizing the importance of the involvement of the scientific community In this context, the Forest Communicators Network should support other Teams on outreach efforts and for the dissemination of relevant products. Due regard should be given to the Committee and Commission official languages when organizing meetings and issuing publications and documents, as appropriate.

**Involvement of the private sector**

44. The Warsaw Integrated Programme of Work recognizes the private sector as a key actor for developing sustainable forest management, sustainable forest products and services and the transition towards a green economy. The participation of the private sector in the work of the Committee and the Commission including in the market discussions will be actively sought, in line with the ECE and FAO organizational policies. Increased participation from various relevant stakeholders should be encouraged.

**Gender mainstreaming**

45. The Warsaw Integrated Programme of Work gives due consideration to making the concerns and experiences of women and men an integral part of the design, implementation, monitoring and evaluation of its activities, so that women and men benefit equally and inequality is not perpetuated (UN ECOSOC, 1997). Gender mainstreaming is a central part of ECE and FAO's strategic frameworks and their policies and programmes.

## F. Support to the Warsaw Integrated Programme of Work and related resources

46. Progress in the implementation of the Warsaw Integrated Programme of Work will be reported annually. The Warsaw Integrated Programme of Work should have the flexibility to allow addressing from a technical perspective emerging issues of policy relevance and interest or influence to forestry and the forest industry.

47. Implementation will depend on regular programme funding levels and to a large extent on extrabudgetary resources, as well as available human resources. Member States, regional economic integration organizations and other donors are encouraged to support such activities in kind and/or with the necessary level of financial resources. The annual list of activities, which is submitted on an annual basis to the Working Party and subsequently to the Committee and the Commission for their approval, will show clearly the areas of work (e.g. capacity-building) or activities where extrabudgetary funding will be needed.

48. A broader engagement by member States and regional economic integration organizations should be sought. In particular, resources should be identified to finance the participation of delegates from eligible countries with economies in transition.

## G. Expert support

49. The Teams of Specialists, composed of experts in particular fields, provide advice or undertake activities that support the implementation of the Warsaw Integrated Programme of Work. Teams of Specialists may also provide guidance to the ECE/FAO Forestry and Timber Section on relevant Work Areas, help with outreach activities to country-level experts, and produce team-specific outputs in support of the Warsaw Integrated Programme of Work. Teams of Specialists are established by the ECE Executive Committee and human and financial resources are provided by both ECE and FAO through their separate budgetary processes for servicing the meetings of the Teams of Specialists. Their terms of reference are approved by the Committee and the Commission. The Teams of Specialists report annually to the Working Party on Forest Statistics, Economics and Management.

50. Guidelines for the Teams of Specialists clarifying the Teams' mandates and procedures, and the role and responsibilities of Team leaders, and deputy leaders, Team members and the secretariat can be found in Part 2.

# III. Warsaw Integrated Programme of Work (Part II)

## A. Terms of Reference of the Joint ECE/FAO Working Party on Forest Statistics, Economics and Management

1. The Joint ECE/FAO Working Party on Forest Statistics, Economics and Management is a subsidiary body of the Committee and the Commission and contributes to the implementation of the Integrated Programme of Work of those two bodies. It does so by coordinating the Teams of Specialists and the activities of the Integrated Programme of Work as well as providing technical advice. It takes instructions from COFFI and the Commission and meets annually to:

(a) Provide guidance on the implementation of all areas of the Integrated Programme of Work;

(b) Supervise the work of Teams of Specialists and facilitate the exchange of information on their work; and

(c) Identify priorities for action and relevant emerging issues; and transmit suggested priorities and specific recommendations to COFFI and the EFC for consideration.

2. The Joint ECE/FAO Working Party on Forest Statistics, Economics and Management shall, for each Work Area, on the basis of a report from the secretariat, review and comment on the activities undertaken during the past year and the plans for the forthcoming year.

3. The Joint ECE/FAO Working Party on Forest Statistics, Economics and Management shall review, on an ongoing basis, the work of the Teams of Specialists and their contribution to the Work Areas as well as work between the Teams of Specialists to ensure the most effective and efficient implementation of their activities. It will:

(a) Receive and discuss the reports from the Teams of Specialists in order to enhance the understanding of their activities and assess their work plans; when needed, the Joint ECE/FAO Working Party on Forest Statistics, Economics and Management may review and recommend updated mandates for endorsement by the parent bodies;

(b) Identify possible synergies; and facilitate the exchange of experiences between Teams of Specialists and delegations from member States; and

(c) Increase the visibility and impact of the work of Teams of Specialists among member States and within the relevant bodies in the United Nations.

4. The Joint ECE/FAO Working Party on Forest Statistics, Economics and Management, as part of its work for the Committee and the Commission, shall:

(a) Propose priorities for activities in the Work Areas and on relevant emerging issues;

(b) Provide, upon request from the parent bodies, methodologies for use in economic analysis of the sector, as well as techniques for collecting, validating, analyzing and disseminating information and statistics;

(c) Initiate, upon request from the parent bodies, ad hoc projects in economics and statistics related to forestry, forest products and forest policies and institutions;

(d) Contribute and provide technical advice to the Committee and the Commission on issues under consideration by those bodies, including the preparation of

studies on the status and future of forests and on the forest industry such as the Outlooks and the Forest Products Annual Market Reviews;

(e) Inviting other sectors to the sessions to discuss issues related to forest information and management matters of common interest, including best practices in sustainable forestry management and their impact on the overall sustainability of forests, natural resources management, and other issues such as biodiversity and climate change; and

(f) Inviting other international bodies, including the International Tropical Timber Organization, the Conference of European Statisticians, Forest Europe and Eurostat, to the sessions, with a view to coordinating activities and avoiding any duplication of effort.

5. The work of the Joint ECE/FAO Working Party on Forest Statistics, Economics and Management will be assessed after the next two sessions of this body.

## B. Terms of Reference of the ECE/FAO Teams of Specialists

6. In order to support the implementation of the Integrated Programme of Work, the following Teams of Specialists are established for the period 2018-2021.

| Name of the Team | Contribution to the Programme of Work |
|---|---|
| Team of Specialists on Monitoring Sustainable Forest Management | Work Area 1, Work Area 2 and Work Area 4: to focus on sustainable forest management monitoring for different ECE and FAO studies and reviews, sustainable forest management assessment and work on criteria and indicators |
| Team of Specialists on Sustainable Forest Products | Work Area 1 and Work Area 4: to focus on forest products and markets, market statements |
| Team of Specialists on Forest Products Statistics | Work Area 1 and Work Area 4: to support the work on statistics in the Joint ECE/FAO Working Party on Forest Statistics, Economics and Management, in order for the Joint ECE/FAO Working Party on Forest Statistics, Economics and Management to focus on its coordinating function for Team of Specialists and Work Area review |
| Team of Specialists on Wood Energy | Work Area 1, Work Area 2 and Work Area 4: to support the development of data and relevant advice on wood energy in the region |
| Team of Specialists on Forest Sector Outlook | Work Area 1, Work Area 2 and Work Area 4: to support the development of Outlook Studies |
| Team of Specialists on Forest Policy (Forest Policy Network) | Work Area 2 and Work Area 4: to focus on forest policies in the region and provide capacity-building |
| Team of Specialists on Forest Communication (Forest Communicators' Network) | Work Area 3 and Work Area 4: to provide advice to the ECE/FAO Forestry and Timber Section in support of relevant events, campaigns and public relations efforts, support the dissemination of results of other Teams of Specialists |
| Team of Specialists on Green Jobs in the Forest Sector (Joint ILO/ECE/FAO Expert Network) | Work Area 2 and Work Area 4: to focus on green jobs and capacity-building activities in support of sustainable forest management |

## ECE/FAO Team of Specialists on Monitoring Sustainable Forest Management

***Reference to the Integrated Programme of Work:*** **Work Area 1, "Data, monitoring, reporting and assessment", Work Area 2, "Policy dialogue and advice" and Work Area 4, "Capacity-building"**

### A. Objectives

7. To strengthen the work on: (i) forest reporting, (ii) assessing the state of forests and sustainability of forest management and (iii) monitoring the role of the forest sector in a green economy in the region;

8. To advise the ECE/FAO Forestry and Timber Section on the implementation of activities in Work Area 1 "Data, monitoring, reporting and assessment", with regard to the collection, harmonization, review, analysis and dissemination of quantitative and qualitative information on forests and sustainable forest management in the region.

### B. Activities and functions

9. Contribute to the Global Forest Resources Assessment 2020and the Collaborative Forest Resources Questionnaire 2020; support the data collection process, analysis of the status and trends, and the drafting and reviewing of the final report.

10. Contribute to the work on criteria and indicators for sustainable forest management agreed by Forest Europe and the Montréal Process.

11. Assist the preparatory process of the State of Europe's Forests 2020: contribution to the reporting on quantitative indicators, analysis of information, coordination of inputs, authors' contributions and dissemination of results.

12. Contribute to further work on the assessment of the sustainability of forest management.

13. Contribute to the work on the development of global and regional forest indicators to support the implementation of the 2030 Agenda on Sustainable Development and the United Nations strategic plan for forests 2017-2030.

14. Contribute to the development of the concept and modalities for a statistical data management system on forest resources, functions and services and sustainable forest management.

15. Provide input to other Work Areas on issues relevant to data, monitoring, reporting and assessment including related capacity-building, in particular to the United Nations Development Account project on "Accountability Systems for Sustainable Forest Management in the Caucasus and Central Asia".

16. Support international work and cooperation on monitoring of forest resources and sustainable forest management, including the European Union (i.e. Eurostat, the European Economic Area and the Joint Research Centre) and other organizations (i.e., the International Union of Forest Research Organizations, the International Co-operative Programme on Assessment and Monitoring of Air Pollution Effects on Forests and the European Forest Institute) in this area.

### C. Expected major outputs and contributions

17. Review of, and input to documents, reports, and meetings related to the global reporting framework – in cooperation with the FAO Forest Resources Assessment Team.

18. Review of, and input to documents, reports, and meetings, especially those related to the activities "Further development and updating of policies and tools for sustainable forest management" and "Forest monitoring and reporting" under Forest Europe. Provide support in the organization of the workshop for authors and national correspondents in the region; review of and, whenever possible, involvement in writing, support the drafting of report on the State of Europe's Forests. Involvement in dissemination of results.

19. Review of, and input to documents, reports, and meetings on the development of global and regional forest indicators to support the implementation of the 2030 Agenda on Sustainable Development and the United Nations strategic plan for forests 2017-2030.

20. Advice on issues relevant to the criteria & indicators processes in the region.

21. Advice on designing an improved statistical data management system on forest resources, their functions and services, and forest management.

22. Advice on the other data-related work within Work Areas 1, 2, 3 and 4, in particular related to the measurement of the forest sector contribution to a green economy and forest sector outlook studies.

## D. Background

| | |
|---|---|
| **Established/ Approved by**: | Joint session of the Committee and the Commission, Warsaw, Poland, 2017. |
| **Duration**: | From January 2018 to December 2019. Renewable to 2021. |
| **Methods of work:** | Regular Team of Specialists meetings (including steering group and thematic sub-groups meetings). |
| | Participation in workshops with Global Forest Resources Assessment 2020 national correspondents. |
| | Reviews and consultations, in person, via videoconference and electronic means. |
| | Review and, if feasible, preparation of background materials, discussion papers, enquiries. |
| | Other forms of work can be determined by the Team of Specialists, if needed. |
| **Reporting**: | Annually, to the Joint ECE/FAO Working Party on Forest Statistics, Economics and Management |
| **Team leader**: | To be elected at the first Team meeting |

## ECE/FAO Team of Specialists on Sustainable Forest Products

### *Reference to the Integrated Programme of Work*: Work Area 1, "Data, monitoring, reporting and assessment" and Work Area 4, "Capacity-building"

### A. Objectives

23. To advise and support work on the sustainable development of forest products markets and related policies in the region.

24. To raise awareness on the role that sustainable forest products can play in greening economies and in providing sustainable products and livelihoods.

### B. Activities and functions

25. Provide guidance and referral to the best available experts and/or sources of information for the organization of:

- Market Discussions; and
- Workshop(s) on all topics related to forest products including the role of forest products in a green economy, the use of wood for so-called "green buildings construction", innovative wood products and other topics in line with the work programme.

26. Provide expertise and outreach to experts for drafting market-related publications and products, including the technical reviews contained in, and the production of, the Forest Products Annual Market Review.

27. Advise the secretariat on the organization of meetings related to the sustainable use of forest products.

28. Advise the secretariat on strategies to carry out the Programme of Work in the forest products marketing area, in particular to assist in strengthening the focus on innovative forest products and on improving knowledge on wood sustainability credentials.

29. Build links with standard/certifying organizations, as well as forest products trade associations, to promote the use of forest products as a sustainable material for construction and other uses.

30. Build linkages with non-forest bodies within the UN, including with the ECE Committee on Housing and Land Management.

31. Build links, both informal and formal, with other Teams of Specialists in areas where cross-cutting issues are shared and where assistance and coordination can be mutually beneficial.

32. Build upon the work of previous capacity-building workshops and consider organizing similar events in association with regional bodies.

33. Organize an annual awareness raising workshop; subject to availability of funds.

34. Work with the secretariat to attract and enhance the involvement of the forest products industry, aiming at:

- Holding a full day session focusing on market/industry issues;
- Organizing industry visits; and
- Organizing side events that involve the forest products industry sector.

35. Provide a network of expertise and advice, including on priorities.

## C. Expected major outputs and contributions

36. Market Discussions covering forest product market topics that are current and relevant to the region and contribute to the Market Statement.

37. Bi-annual meetings to discuss a list of recommendations on how to improve the content, structure and focus of the forest products marketing Work Area in general and the Forest Products Annual Market Review in particular (typically during the Team of Specialists meeting that is held at the time of Committee, Commission and Working Party meetings).

## D. Background

| | |
|---|---|
| **Established/ Approved by**: | Joint sessions of the Committee and the Commission, Warsaw, Poland, 2017. |
| **Duration**: | From January 2018 to December 2019. Renewable to 2021. |
| **Methods of work:** | Annual meeting. Other methods to be determined by the Team. |
| **Reporting**: | Annually, to the Joint ECE/FAO Working Party on Forest Statistics, Economics and Management |
| **Team leader:** | To be elected at first Team meeting. |
| **Communication:** | The Team leader and secretary should ensure close communication and collaboration with the Teams of Specialists on Forest Products Statistics and Wood Energy. |

## ECE/FAO Team of Specialists on Forest Products Statistics

***Reference* to *the Integrated Programme of Work: Work* Area 1, "Data, monitoring, reporting and assessment" and Work Area 4, "Capacity-building"**

### A. Objectives

38. To advise and support work on forest products statistics, including data coverage and collection, validation and classifications used in the region.

39. To suggest and support proposals for increasing the reliability and visibility of forest products statistics.

40. To advise on implementation of activities in Work Area 1 relating to forest products statistics.

### B. Activities and functions

41. Review materials such as the Joint Forest Sector Questionnaire and the Timber Forecast Questionnaire and associated procedures, reviewing items in forest products statistics.

42. Develop methods to expand the scope to include production and trade of secondary wood products (Engineered Wood Products, furniture, joinery) and develop methodology for data collection on these products.

43. Investigate required changes in the Harmonized System classification; prepare for the implementation of 2022 Harmonized System and future potential changes to Harmonized System.

44. Follow up on the conversion factor questionnaire and study; develop conversion factors for secondary forest products (Engineered Wood Products, joinery).

45. Assist in the development of a forest food products section in collaboration with the Collaborative Forest Reporting Questionnaire and consider framework and specifications for non-wood forest products.

46. Support publication of the roundwood balance study and continue to develop methodology.

47. Strengthen capacities in statistics through a capacity-building workshop.

48. Disseminate information on forest products statistics further through the Team of Specialists' network.

49. Advise on issues to coordinate with other members of the Eurostat/FAO/International Tropical Timber Organization/ECE Intersecretariat Working Group on Forest Sector Statistics.

50. Consider improving product definitions and collect metadata (including accuracy).

51. Consider development of price portal.

52. Recommend improvements to data systems, including data capture.

53. Review ways to promote data and make it more accessible.

54. Recommend methods for improving data reliability.

## C. Expected major outputs and contributions

55. Recommendations for revisions to the Joint Forest Sector Questionnaire and the Timber Forecast Questionnaire.

56. Submission of potential input for 2022 revision of Harmonized System and further revisions in later years.

57. A paper on the extent of potential double counting problem (including issue of forest/non-forest sources) and how to avoid it. Contact national data users for input.

58. Proposal for improvements for national and international practices in data validation and, if required, a working paper describing best practices.

59. A recommended procedure for estimating wood balance, including the desirable level of detail to include and conversion factors to use.

60. Contributions to studies on conversion factors, roundwood balance and double counting issue, in collaboration with other Teams.

61. Support to capacity-building workshop on statistics.

## D. Background

| | |
|---|---|
| **Established/ Approved by:** | Joint session of the Committee and the Commission, Warsaw, Poland, 2017. |
| **Duration:** | From January 2018 to December 2019. Renewable to 2021. |
| **Methods of work:** | Annual meeting. Further methods to be determined by the Team. |
| **Reporting:** | Annually, to the Joint ECE/FAO Working Party on Forest Statistics, Economics and Management. |
| **Team leader:** | To be elected at the first Team meeting. |
| **Communication:** | The Team leader and secretariat should ensure close cooperation with the Team of Specialists on Sustainable Forest Products, the Team of Specialists on Wood Energy and the Team of Specialists on Sustainable Forest Management. The Team should also seek to communicate and collaborate with other fora working in this area, and to collaborate with others (e.g. Forest Europe on criteria and indicators and the Intergovernmental Panel on Climate Change on harvested wood products). |

## ECE/FAO Team of Specialists on Wood Energy

***Reference to the Integrated Programme of Work:*** **Work Area 1, "Data, monitoring, reporting and assessment", Work Area 2, "Policy dialogue and advice" and Work Area 4, "Capacity-building"**

### A. Objectives

62. To advise the ECE/FAO Forestry and Timber Section and support activities in Work Areas 1 and 2 on the methodology for, the implementation of and the follow-up to the Joint Wood Energy Enquiry and specific studies related to wood energy.

63. To contribute to a better understanding of wood energy statistics as a basis for sound policymaking.

### B. Activities and functions

64. Monitor and analyse the policy aspects of the use of wood for energy generation and the implications for the forest sector, including carbon accounting.

65. Provide guidance on the Joint Wood Energy Enquiry data collection and analysis process including on indicators, the structure of the Joint Wood Energy Enquiry questionnaire, and the review of wood energy parameters (such as heating values and conversion factors).

66. Actively disseminate the publication and key messages synthesized in first issue of "Wood Energy in the ECE region" series.

67. Coordinate and complete a second issue of "Wood Energy in the ECE region" publication series.

68. Enhance capacity of member States to develop reliable wood energy statistics through knowledge sharing and capacity-building workshops.

69. Actively cooperate and partner with other organizations involved in wood energy with the aim of sharing and improving wood energy data and information.

70. Coordinate and communicate with other Teams of Specialists on areas where there is commonalities and beneficial to share information.

### C. Expected major outputs and contributions

71. Release of the second issue of series "Wood Energy in the ECE region" with the most recent available data.

72. Publication of scholarly manuscripts examining longitudinal trends in the data of the Joint Wood Energy Enquiry and socio-economic and environmental aspects of wood energy use in ECE member States, including its contribution towards the achievement of SDGs and mitigation of climate change.

73. Revision of the list of recommendations on the methods for, analysis and conduct of the Joint Wood Energy Enquiry.

74. Organization of one or two capacity-building workshops on wood energy statistics, possibly including the sharing of best practices for household surveys (to obtain data on non-commercial wood energy (such as private household use of wood energy).

75. Improved quality and quantity of national reports to the Joint Wood Energy Enquiry.

76. Provide input to the chapter on wood energy for the Forest Products Annual Market Review.

## D. Background

| | |
|---|---|
| **Established/ Approved by**: | Joint session of the Committee and the Commission, Warsaw, Poland, 2017. |
| **Duration**: | From January 2018 to December 2019. Renewable to 2021. |
| **Methods of work:** | Annual meeting. Other methods to be determined by the Team. |
| **Reporting**: | Annually, to the Joint ECE/FAO Working Party on Forest Statistics, Economics and Management. |
| **Team leader:** | To be elected at first Team meeting. |
| **Communication:** | The Team leader and secretary should ensure close communication and collaboration with the Team of Specialists on Forest Products Statistics. |

## ECE/FAO Team of Specialists on Forest Sector Outlook

**Reference *to the Integrated Programme of Work:* Work Area 1, "Data, monitoring, reporting and assessment", Work Area 2, "Policy dialogue and advice" and Work Area 4, "Capacity-building"**

### A. Objectives

77. To advise and support the ECE/FAO Forestry and Timber Section on the methodology, preparation and implementation of outlook studies. Serve as a repository of global, regional, subregional and national forest sector outlook studies; and facilitate exchange of knowledge.

### B. Activities and functions

78. Provide support and expertise to the secretariat to conduct forest sector outlook studies in at least two of the ECE subregions.

79. Present the findings of the studies in public forums, such as scientific and professional meetings.

80. Provide guidance on methods, analysis and conduct of forest sector outlook studies.

81. Provide support to the secretariat for enhancing member States' capacities on forest sector outlook studies.

82. Identify scenarios based on: structural developments in the forest sector; long-term supply and demand of wood and other goods and services; as well as impacts and implications of international and national policy developments.

83. Advise on timeline for new outlook studies and identify potential contributors and donors.

84. Undertake research in support of forest sector outlook studies.

85. Provide an overview on alternative forest sector models.

86. Inform member States and regional economic integration organizations regularly about the status of ongoing outlook studies and the next steps of the process.

### C. Expected major outputs and contributions

87. Publication of North America Forest Sector Outlook study and Europe Forest Sector Outlook Study, and possibly a Russian Forest Sector Outlook study, by 2019, subject to availability of funds.

88. Provide national level results of outlook studies, if resources are made available.

## D. Background

| | |
|---|---|
| **Established/ Approved by**: | Joint session of the Committee and the Commission, Warsaw, Poland, 2017. |
| **Duration**: | From January 2018 to December 2019. Renewable to 2021. |
| **Methods of work:** | Annual meeting or other methods to be determined by the Team. |
| **Reporting**: | Annually, to the Joint ECE/FAO Working Party on Forest Statistics, Economics and Management. |
| **Team leader:** | To be elected at first Team meeting. |

## ECE/FAO Team of Specialists on Forest Policy (Forest Policy Network)

### *Reference to the Integrated Programme of Work:* Work Area 2 "Policy dialogue and advice" and Work Area 4 "Capacity-building"

### A. Objectives

89. To contribute to the implementation of tools to support sound policy in the forest sector in the region.

90. To build capacity to support sound policies in the forest sector in Eastern Europe, Caucasus and Central Asia.

### B. Activities and functions

91. Advise and support the ECE/FAO Forestry and Timber Section on:

- The collection, review, and dissemination of information on forest policies, institutions and instruments in the region; and
- The contribution to policy dialogues at the regional and national level (including National Forest Policy Dialogues).

92. Contribute to strengthen policy-related components of ECE and FAO studies.

93. Contribute to the implantation of the United Nations strategic plan for forests 2017-2030, including by taking part in exchange of experience and lessons learned and providing technical advice and input especially to the odd-year sessions of the Forum (workshops, submissions to the United Nations Forum on Forests Secretariat).

94. Contribute to achieving a balanced approach to the development of a bioeconomy and nature protection/conservation of biodiversity (study, linkage to outlooks).

95. Strengthen capacity-building and experience exchange, best practices and mechanisms to help in tackling national challenges, and promote communication and information exchange associated with implementation of international agreements (e.g. 2030 Agenda on Sustainable Development, the Aichi Targets, the Paris Agreement, the United Nations strategic plan for forests 2017-2030, the Rovaniemi Action Plan for the Forest Sector in a Green Economy).

96. Contribute to the dissemination of information in support of decision making processes with regards to international forest policy developments (creation of policy briefs, sharing of informative materials).

97. Provide national experts with case studies, trainers and content for capacity-building activities.

98. Provide ad-hoc studies on request by countries.

99. Contribute to the work of other Teams of Specialists and build cooperation in this regard.

## C. Expected major outputs and contributions

100. Contribution to the experience exchange on forest policies implementation and development (to be developed in close cooperation with the Team of Specialists on Monitoring Sustainable Forest Management and Forest Europe) with a view to:

(a) Contribution to the organization of national/regional policy dialogues (themes, speakers, etc.) and provide recommendations on the further development of national forest policy dialogues (contents, methods, etc.); and

(b) Policy briefs.

## D. Background

| | |
|---|---|
| **Established/ Approved by**: | Joint session of the Committee and the Commission, Warsaw, Poland, 2017. |
| **Duration**: | From January 2018 to December 2019. Renewable to 2021. |
| **Methods of work**: | Annual meeting or other methods to be determined by the Team. |
| **Reporting**: | Annually, to the Joint ECE/FAO Working Party on Forest Statistics, Economics and Management. |
| **Team leader**: | To be elected at first Team meeting. |

## ECE/FAO Team of Specialists on Forest Communication (Forest Communicators' Network)

***Reference to the Integrated Programme of Work:*** **Work Area 3, "Communication and outreach" and Work Area 4, "Capacity-building"**

### A. Objectives

101. To improve the ability of the forest sector to communicate effectively within and outside the sector on the role of forests in sustainable development.

102. To advise the ECE/FAO Forestry and Timber Section and support communication activities in all Work Areas.

### B. Activities and functions

103. The Team of Specialists provides advice in the communication field to benefit the forest community by:

(a) Supporting forest-related ECE/FAO intergovernmental bodies in reaching out to relevant constituencies, within and outside the forest sector;

(b) Providing a forum for international interaction and cooperation in forest related communications;

(c) Developing the professionalism of forest communicators by introducing and encouraging state of the art and innovative communication approaches, strengthening networking and supporting capacities in the region;

(d) Providing advice for communication activities around the International Day of Forests and European Forest Weeks, upon request by the organizers;

(e) Raising awareness of the significance of forests and sustainable forest management in achieving the SDGs;

(f) Contribution to the communication and outreach strategies of ECE, FAO and the United Nations Forum on Forests, in support of the implementation of the United Nations strategic plan for forests 2017-2030, in particular its communication and outreach strategy;

(g) Conducting a survey among forest communicators on current trends and the latest developments and communication challenges in the sector;

(h) Sharing information and experience with forest communicators' networks established by FAO in other regions;

(i) Supporting capacity-building activities in cooperation with all other Teams of Specialists, as appropriate;

(j) Providing advice for communication campaigns and strategies to communicate outputs of other Teams of Specialists to a target audience, upon request by the respective Team of Specialists;

(k) Developing further approaches and tools for educational work on forests by continued involvement of the Forest Pedagogics Group;

(l) Cooperating with the Forest Europe Liaison Unit and other relevant institutions, organizations, processes and initiatives, on matters relevant to forest communication;

(m) Identifying other communication work of relevance to forests as well as information-sharing platforms developed by civil society; and

(n) Developing a proposal for a possible survey on the public perception of forests and the forest sector in the ECE Region for submission to potential donors.

## C. Expected major outputs and contributions

104. An annual proposal for communication activities and messages for each International Day of Forests.

105. Proposals for communication activities around the European Forest Weeks, as appropriate.

106. Proposals for highlighting the significance of forests and sustainable forest management for achieving the SDGs.

107. Contributions to the development and implementation of the communication and outreach strategies of ECE, FAO and the United Nations Forum on Forests in support of the implementation of the United Nations strategic plan for forests 2017-2030.

108. A report on communication challenges for the forest sector, based on a survey conducted among forest communicators by the end of 2018.

109. A revised version of the Strategic Framework for Forest Communication in Europe by the end of 2019.

110. An information note on activities carried out with the other regional communicators' networks with a focus on global interconnection and outreach – to be included in the annual Team activities' report.

## D. Background

| | |
|---|---|
| **Established/ Approved by**: | Joint session of the Committee and the Commission, Warsaw, Poland, 2017. |
| **Duration**: | From January 2018 to December 2019. Renewable to 2021. |
| **Methods of work**: | Networking, meetings, workshops, advice on forest communication related issues, including for awareness campaigns. |
| **Reporting**: | Annually, to the Joint ECE/FAO Working Party on Forest Statistics, Economics and Management. |
| **Team leader**: | To be elected at first Team meeting. |

## ECE/FAO Team of Specialists on Green Jobs in the Forest Sector (Joint ILO/ECE/FAO Expert Network)

***Reference to the Integrated Programme of Work:*** **Work Area 2 "Policy dialogue and advice" and Work Area 4, "Capacity-building"**

### A. Objectives

111. To contribute to the improvement of working conditions and the development of Green Jobs in the forest sector.

112. To advise and support the ECE/FAO Forestry and Timber Section and member States and regional economic integration organizations on employment-related issues such as needed competencies including education and training for the forest sector in the context of a green economy.

113. To review forest sector workforce issues at policy, management and operational level, in order to recommend priorities and communicate their importance.

### B. Activities and functions

114. Collaborate with relevant stakeholders (e.g. the International Labour Organization (ILO) and Forest Europe) on a joint definition of Green Jobs in the forest sector.

115. Identify and describe forest workforce-related trends and developments (trend monitoring) and analyse the strengths, weaknesses, opportunities and threats associated with the sustainability of this workforce.

116. Analyse the green jobs potential as well as the green jobs curricula in the forest sector, define the needed competencies as a basis for education and training for adopted regional policies and provide support for the implementation of these policies at all levels.

117. Improve the monitoring and analysis of the forest sector workforce including those involved with new green forest jobs while taking into account occupational health and safety.

118. Develop recommendations for the consideration of member States on preventive and remedial actions in order to ensure the sustainability of the forest workforce, including ways to attract young people to work in the forest sector and to improve the gender balance.

119. Advise and support the ECE/FAO Forestry and Timber Section on the organization of meetings and workshops related to forest workforce issues in the context of a green economy.

120. Identify present and future skill requirements for forestry professionals, map and describe forest jobs and related education curricula in collaboration with other relevant organizations.

121. Contribute to development and sharing of best practice for environmentally efficient, productive, safe and sustainable forest operations.

122. Monitor and analyse at the policy level the impact of green economy policy on employment in the forest sector, possibly with a cross-sectoral approach.

## C. Expected major outputs and contributions

123. Periodic qualitative and quantitative surveys of major trends and challenges associated with the sustainable forest workforce and green jobs in support of existing reporting activities in the forest sector.

124. Trend scenario workshops on the future forest workforce, for instance in collaboration with the ECE/FAO Team of Specialists on Forest Sector Outlook.

125. Policy briefs outlining rationales for choosing particular workforce policy strategies.

126. Reviews and recommendations addressing main forest sector workforce issues

## D. Background

| | |
|---|---|
| **Established/ Approved by**: | Joint session of the Committee and the Commission, Warsaw, Poland, 2017. |
| **Duration**: | From January 2018 to December 2019. Renewable to 2021. |
| **Methods of work**: | Annual Team meeting, scenario trend workshops, online surveys (national contact points), and other appropriate methods to be determined by the Team. |
| **Reporting**: | Annually, to the Joint ECE/FAO Working Party on Forest Statistics, Economics and Management. |
| **Team leader**: | To be elected at first Team meeting. |

# IV. Guidelines for ECE/FAO Teams of Specialists

## A. Introduction

127. These draft guidelines were adopted by "Las2017", the joint session of the Committee and the Commission, held from 9 to 13 October 2017 in Warsaw, Poland. The guidelines shall apply to the ECE/FAO Teams of Specialists, which contribute to the implementation of the Integrated Programme of Work.

128. These draft guidelines are in line with, and are complementary to, the guidelines for the establishment and functioning of Teams of Specialists within ECE as contained in document ECE/EX/2/Rev.1.

## B. Role of the Teams of Specialists

129. The ECE/FAO Teams of Specialists are recommended by the Committee and the Commission and established by the ECE Executive Committee to support the work of the Integrated Programme of Work for an initial period of two years, which can be extended, after review every two years, for as long as required. The Committee and the Commission approve the Terms of Reference for all Teams of Specialists at their joint session.

130. The primary role of the Teams of Specialists is to support the implementation of the Integrated Programme of Work as expressed in their respective Terms of Reference. All Teams of Specialists report annually to the Joint ECE/FAO Working Party of Forest Statistics, Economics and Management, which gives them guidance and evaluates their work based on their Terms of Reference and Work Plan. In addition, the Joint ECE/FAO Working Party on Forest Statistics, Economics and Management provides recommendations to the Committee and the Commission for updating the Terms of Reference of the Teams of Specialists and for their extension or discontinuation.

131. The Teams of Specialists should contribute to the mainstreaming and dissemination of the work of the ECE/FAO Forestry and Timber Section at national and sub-national levels, as well as into the agendas of other regional and global organizations. They are also expected to contribute to the Forest Information Billboard.

## C. Membership and Officers

132. For each Team of Specialists, the secretariat circulates the Terms of Reference to Committee/Commission members and all relevant stakeholders in the region and asks them to nominate their official representative, should they wish to participate in the Team activities. Member States and stakeholders are expected to nominate their representative to a Team based on their interest in the issues covered by this Team and their capacity to support the participation of their representative in the Team's work. On the basis of the answers received, the secretariat prepares a list of Team members and establishes the Team. The request for nomination may be repeated at the end of the first two-year duration or at the beginning of the next Integrated Programme of Work, as appropriate. When member States and stakeholders wish to nominate another or an additional representative to a Team, they notify this proposal to the secretariat, which informs the Team at its next meeting.

133. Experts without official affiliation can also contribute to the Team work at the invitation of the Team leader, in close consultation with the secretariat. To the extent possible, due consideration should be given to ensuring geographical and gender balance.

134. Each Team of Specialists appoints its officers for a duration of two years: a leader and, if deemed necessary, one or two deputy leaders. After one term of two years, one of the deputy leaders is usually appointed leader. When the Team appoints two deputy leaders, to ensure adequate continuity, the outgoing leader is usually re-appointed as deputy leader.

Under special circumstances (e.g. absence of candidates), leader and deputy leaders can be re-appointed if the Team wishes to do so. Candidates for the office of leader should obtain the relevant authorization and secure the necessary resources (time and funding), from their government or organization, to fulfil their responsibilities during their elected terms.

## D. Role of the Team leaders and Team members

135. With the assistance of and in close cooperation with the secretariat, the leader's responsibilities are to:

(a) Ensure that the Team's Terms of Reference are applied and lead the Team;

(b) Conduct the Team meetings and draft meeting reports, in consultation with participants of the meetings;

(c) Coordinate the preparation of the work plan;

(d) Coordinate and facilitate the implementation of the work plan, including by raising funds, where appropriate;

(e) Coordinate the preparation and presentation of annual implementation reports at the Joint ECE/FAO Working Party on Forest Statistics, Economics and Management; and

(f) Organize and attend meetings of the leaders of the Teams of Specialists.

136. When the leader is not able to attend a Team meeting or to represent the Team at a parent body meeting, the leader makes sure that one of the deputy leaders can replace him/her. In addition, deputy leaders may assist the leader with certain tasks such as preparing the work plan or reports, making contacts or fund raising.

137. Team members are expected to actively participate in the Team activities by:

(a) Attending the Team meetings;

(b) Contributing to the work between the Team meetings;

(c) Answering enquiries from the leader or the secretariat; and

(d) Relaying information on the Team's work at the national and subnational level.

## E. Methods of Work

138. Under the guidance of the leader and with the support of the secretariat, the Team prepares its work plan for a two year period defining, for each activity from its Terms of Reference, the time schedule and the resources needed, including those resulting from fund raising. Teams can create task-oriented groups for a limited period of time (e.g. to advise for the organization of an event or the preparation of a publication). Teams are expected to be self-sustaining and regular budget funds will not be available to support the Teams. Teams use the work plan format and the report template that are provided by the secretariat.

139. Team meetings are convened by the secretariat in Geneva or any other place where the meetings can be hosted by a member State or a partner organization. Each Team should meet at least once a year for one day or have several shorter online meetings. Teams of Specialists should consider meeting on the margins of, or back-to-back to, meetings where members of the Team participate. It is suggested to utilize electronic means (e-mail, Skype or Webex meetings, etc.) when appropriate. The working language of Teams of Specialists is English. In general, no interpretation will be provided. More detailed methods of work may be developed by the Team.

140. The only websites of each Team of Specialists is the one hosted by the ECE/FAO Forestry and Timber Section (www.unece.org) and/or FAO (www.fao.org). All relevant information on Team of Specialists meetings (agenda, presentations, meeting report, list of participants, pictures, etc.) must be made available to the secretariat for posting on the website.

141. The Team leader, deputies or any other member of the Team need to ask permission to the secretariat of the Committee and the Commission for using ECE and FAO logos.

142. Teams are encouraged to seek assistance from other Teams of Specialists especially for cross-sectoral activities that are mentioned in their Terms of Reference.

## F. Role of the secretariat

143. In close cooperation with the Team leader, the secretariat is responsible for:

(a) Contacting member States and other relevant stakeholders, including for the nomination of Team members, for updating of the lists of Team members and issuing meeting invitations;

(b) Assisting in the scheduling of meetings and other activities, in consultation with the Team;

(c) Providing technical means and innovative solutions to facilitate cost-effective meetings and possibility for remote access to meetings for members who cannot attend the meeting personally;

(d) Providing guidance in fulfilling the Terms of Reference;

(e) Facilitating the meetings and assisting the leader in preparing the meeting reports, by taking notes and drafting the main conclusions and next steps;

(f) Cooperating with the leader in preparing the reports on the Team's accomplishments; and

(g) Uploading any relevant documentation to the Team website before and after the meetings and disseminating information on the Team's activities.

[English only]

# Annex II

## Annex to the Warsaw Integrated Programme of Work

### I. Terms of Reference of the ECE Committee on Forests and the Forest Industry

1. The Committee on Forests and the Forest Industry, as a Sectoral Committee of ECE, constitutes a forum for cooperation and consultation among its member States. Its objective is to strengthen the forest sector and its contribution to sustainable development throughout the region, through monitoring, analysis, capacity-building and the provision of a forum for discussion, taking into account the changing policy environment, notably as regards climate change and bioenergy. The Committee focuses on the sound and legal use of forest products, for raw material or energy, and on forest services.

2. The Committee shall, within the context of sustainable development, provide member States with the information and services which they need for policy- and decision-making as regards their forest and forest industry sector ("the sector"), including the trade and use of forest products and, when appropriate, formulate recommendations addressed to member Governments and interested organizations. To this end, it shall:

(a) With the active participation of member States, undertake short-, medium- and long-term analyses of developments in, and having an impact on, the sector, including those offering possibilities for the facilitation of international trade and for enhancing the protection of the environment;

(b) In support of these analyses, collect, store and disseminate statistics and other information relating to the sector, and carry out activities to improve their quality and comparability;

(c) Provide a framework for cooperation, e.g. by organizing seminars, workshops and ad hoc meetings and setting up time-limited Teams of Specialists, for the exchange of economic, environmental and technical information between Governments and other institutions of member States that is needed for the development and implementation of policies leading to the sustainable development of the sector and to the protection of the environment in their respective States;

(d) Carry out tasks identified by ECE or the Committee as being of priority, including the facilitation of subregional cooperation and activities in support of the economies of eastern Europe, the Caucasus and central Asia and the Mediterranean region; and

(e) It should also keep under review its structure and priorities and cooperate with other international and intergovernmental organizations active in the sector, and in particular with the FAO and its Commission, ILO and with Forest Europe, in order to ensure complementarity and to avoid duplication, thereby optimizing the use of resources. Its work programme is fully integrated with that of the Commission.

3. The Integrated Programme of Work of the Committee and the Commission has four Work Areas:

- Work Area 1: Data, monitoring, reporting and assessment;

- Work Area 2: Policy dialogue and advice;
- Work Area 3: Communication and outreach; and
- Work Area 4: Capacity-building.

## II. Mandate of the FAO European Forestry Commission

| | | | |
|---|---|---|---|
| **Name** | European Forestry Commission<br>(FO-726) (1)<br>(Article VI-1 of the Constitution) | | |
| **Origin** | Established by the Conference at its Third Session (1947) on the recommendation of the FAO Marianské Lázne (former Czechoslovakia) Forestry Conference in 1947. | | |
| **Purpose** | To advise on the formulation of forest policy and to review and coordinate its implementation at the regional level; to exchange information and, generally through special subsidiary bodies, advise on suitable practices and action with regard to technical and economic problems, and make appropriate recommendations in relation to the foregoing. | | |
| **First Session** | July 1948 | | |
| **Membership** | Open to all Member Nations and Associate Members whose territories are situated wholly or in part in the European Region or who are responsible for the international relations of any non-self-governing territories in that region. Membership comprises such eligible Nations that have notified the Director-General of their desire to be considered as members. | | |
| **Present membership** | Albania<br>Austria<br>Belarus<br>Belgium<br>Bulgaria<br>Croatia<br>Cyprus<br>Czech Republic<br>Denmark<br>Estonia<br>European Community<br>Finland<br>France<br>Germany | Greece<br>Hungary<br>Iceland<br>Ireland<br>Israel<br>Italy<br>Latvia<br>Lithuania<br>Luxembourg<br>Malta<br>Netherlands<br>Norway<br>Poland<br>Portugal<br>Romania | Russian Federation<br>Serbia<br>Slovakia<br>Slovenia<br>Spain<br>Sweden<br>Switzerland<br>The former Yugoslav Republic of Macedonia<br>Turkey<br>Ukraine<br>United Kingdom<br>Uzbekistan |

[English only]

# Annex III

## Forest Products Market Statement

### I. Overview of forest products markets in 2016 and 2017

1. The general condition of forest product markets in the ECE region improved in 2016, with all major subsectors (industrial roundwood, sawnwood, wood-based panels, and paper and paperboard) showing higher consumption levels and growth rates. This growth has continued in 2017.

2. There were slight contractions in the consumption of wood-based panels in the Commonwealth of Independent States (CIS) (-0.6 per cent) and of paper and paperboard in North America, but these were offset by gains in those subsectors in the other subregions. The aggregated year-on-year growth rates in consumption in the ECE region in 2016 ranged from 0.9 per cent (for paper and paperboard) to 4.0 per cent (for sawnwood) (table 1), with differences between subregions.

TABLE 1

***Apparent consumption of industrial roundwood, sawnwood, wood-based panels, and paper and paperboard in ECE region, 2012-2016***

| | *Million* | *2012* | *2013* | *2014* | *2015* | *2016* | *Change (volume) 2015-2016* | *Change (%) 2015-2016* | *Change (%) 2012-2016* |
|---|---|---|---|---|---|---|---|---|---|
| **Europe** | | | | | | | | | |
| Industrial roundwood | $m^3$ | 375.7 | 381.8 | 394.7 | 401.1 | 407.1 | 6.0 | 1.5 | 8.4 |
| Sawnwood | $m^3$ | 97.0 | 96.9 | 101.4 | 104.2 | 107.0 | 2.8 | 2.7 | 10.2 |
| Wood-based panels | $m^3$ | 64.7 | 66.3 | 68.1 | 70.7 | 72.5 | 1.9 | 2.7 | 12.2 |
| Paper and paperboard | m.t. | 90.9 | 89.6 | 89.8 | 89.2 | 90.3 | 1.1 | 1.2 | -0.6 |
| **CIS** | | | | | | | | | |
| Industrial roundwood | $m^3$ | 173.7 | 175.1 | 182.4 | 185.0 | 192.0 | 7.1 | 3.8 | 10.6 |
| Sawnwood | $m^3$ | 19.7 | 20.4 | 19.2 | 17.8 | 18.1 | 0.2 | 1.4 | -8.3 |
| Wood-based panels | $m^3$ | 17.7 | 17.8 | 17.5 | 17.6 | 17.5 | -0.1 | -0.6 | -1.4 |
| Paper and paperboard | m.t. | 9.4 | 9.4 | 9.4 | 9.1 | 9.6 | 0.5 | 5.6 | 2.7 |
| **North America** | | | | | | | | | |
| Industrial roundwood | $m^3$ | 481.2 | 486.8 | 490.2 | 494.2 | 501.5 | 7.3 | 1.5 | 4.2 |
| Sawnwood | $m^3$ | 95.5 | 101.1 | 106.3 | 112.6 | 119.0 | 6.4 | 5.7 | 24.7 |
| Wood-based panels | $m^3$ | 46.4 | 48.0 | 49.9 | 52.0 | 53.8 | 1.8 | 3.4 | 15.9 |
| Paper and paperboard | m.t. | 77.1 | 75.0 | 76.1 | 75.7 | 75.6 | -0.1 | -0.1 | -1.9 |
| **ECE region** | | | | | | | | | |
| Industrial roundwood | $m^3$ | 1030.5 | 1043.6 | 1067.3 | 1080.3 | 1100.7 | 20.3 | 1.9 | 6.8 |
| Sawnwood | $m^3$ | 212.2 | 218.3 | 226.9 | 234.6 | 244.1 | 9.5 | 4.0 | 15.0 |
| Wood-based panels | $m^3$ | 128.8 | 132.1 | 135.5 | 140.2 | 143.8 | 3.5 | 2.5 | 11.7 |
| Paper and paperboard | m.t. | 177.3 | 173.9 | 175.3 | 173.9 | 175.5 | 1.6 | 0.9 | -1.0 |

***Source:*** ECE/FAO TIMBER database, 2017.

## A. Economic developments with implications on the forest sector

3. Amid a global recovery, overall economic trends were positive in the ECE region in 2016. Although significant country differences persisted, the pace of expansion was sustained and became more synchronized. In 2016, there was steady growth in Gross domestic product (GDP) in the United States of America (US). However, the appreciation of the US dollar had a negative impact on net exports. In contrast, the euro area showed signs of increased dynamism, driven by the lagged effects of euro depreciation, relatively low oil prices, and a policy mix that has become more conducive to growth.

4. A heavy political calendar and the decision by the United Kingdom of Great Britain and Northern Ireland (UK) to leave the European Union (EU) did not derail the growing confidence. In the new EU member countries, an economic slowdown was temporary and related to the pattern of disbursement of EU funds, following years of very strong activity. After the output contraction in 2015, growth started returning to the CIS as oil prices bottomed out and the macro-economic framework became less volatile.

5. In the US, unemployment declined further and the rapid pace of job creation continued into early 2017. Wages have been growing more slowly than employment in the post-crisis period, but improvements in the labour market have eventually translated into moderately rising

wages. In the euro area, employment creation accelerated significantly, but unemployment is still high in some European countries, in particular for the young and the low-skilled. Job creation was supported by limited wage increases and, in some countries, by labour market reforms.

6. Overall, the recovery of the labour market remained uneven and was characterized by growing job polarization and precarious forms of unemployment in some countries. Labour market dynamics were relatively resilient in the CIS, despite weak output trends. A sharp adjustment of real wages, combined with underemployment, prevented unemployment figures from climbing higher.

7. Lending to households and non-financial corporations continued to grow in the euro area, amid declining interest rates and a reduction in financial fragmentation. The banking sector has increased its capacity to support the recovery, but country fragilities remain. In the CIS, on the other hand, poor economic performance and the impact of past currency depreciations have constrained lending, although the worst is now behind.

8. In some advanced economies, the extended period of low financing costs has led to rapid growth in asset prices, including housing. Relatively weak demand continued to dampen overall investment in the euro area, but rising incomes and low mortgage rates have supported a more dynamic housing sector, with increases in construction output and house prices. Much faster price increases have been observed in other European countries and the US.

9. Following a rapid expansion, gross residential fixed investment slowed in the US. On the other hand, such investment picked up in many European countries. After returning to growth in 2015, construction investment accelerated further in the euro area in 2016. In contrast, construction contracted sharply in the new EU member countries, resulting in a slowdown in the EU as a whole.

10. Rising but still moderate inflation, prompted by growing demand and higher energy prices, led the US Federal Reserve to hike interest rates in 2016 and early 2017. Additional rate increases are expected, but a rapid tightening of monetary policy is unlikely because price pressures remain moderate. A very loose monetary policy continued in the euro area, but deflation is no longer a concern there and, given the improved economic prospects, the monetary authorities have signalled a change in tone.

11. The appreciation of the US dollar versus the euro in late 2016 was reversed in the first half of 2017 as the European recovery firmed and expectations of monetary policy divergence receded (graph 1). Inflation declined in the CIS as the impact of past currency depreciations wore off, exchange rates recovered and demand remained weak. This allowed monetary authorities to cut interest rates gradually.

12. Fiscal policy was broadly neutral in the US in 2016 but some loosening is anticipated, which would be delivered through a combination of increased spending and lower taxes. In the euro area, improved economic performance and very low interest rates supported public finances amid a broadly neutral fiscal policy stance. In contrast, fiscal consolidation was widespread in the CIS. Energy producers, including those that started the downturn with significant buffers, have undertaken measures to put public finances on a sustainable path.

13. The economic outlook in the region remains positive. Although the US economy underwent a soft patch in early 2017, growth is projected to accelerate. The recovery appears well entrenched in the euro area, but persistent fragilities remain in some countries.

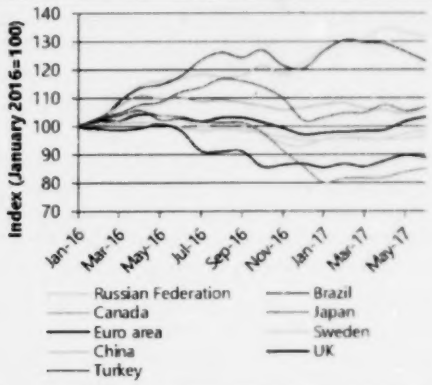
14. Increased investment will again be a major driver of economic activity in the newer EU member countries in the new EU funding cycle. The expansion is likely to be modest in the CIS, amid continued downside risks. Energy-exporting countries are facing the reality of protracted low energy prices and the need to search for new engines of growth.

15. Although economic performance is expected to remain favourable, certain risks and challenges cloud the horizon. Low levels of investment in the post-crisis period have contributed to the sluggish productivity growth observed across the ECE region, limiting economic potential. The expected gradual normalization of monetary policies may expose hidden vulnerabilities in financial sectors.

GRAPH 1

**Major currencies used to trade forest products indexed against the US dollar**

**January 2016-May 2017**




***Source:*** IMF, 2017.

***Note:*** A diminishing index value indicates a weakening of the currency value against the US dollar, an increasing index value indicates a strengthening of the currency value against the US dollar

## B. Policy and regulatory developments affecting the forest products sector

16. Governmental and non-governmental actions continue to have significant impacts on forests and forest product markets. Continued trade negotiations and recent policy actions have created uncertainty for trade in forest products. New challenges and opportunities are arising in many areas of forest policy and environmental programmes.

17. A referendum was held in the UK on 23 June 2016 in which a majority of voters voted to leave the EU. As a result, the UK government activated Article 50 of the Lisbon Treaty, the official mechanism for withdrawing from the EU, on 29 March 2017, in a process generally referred to as Brexit. If no agreement is reached within two years and no extension is agreed, the UK will leave the EU automatically, and all existing agreements – including access to the single market – will cease to apply to the UK from 29 March 2019.

18. In North America, the Softwood Lumber Agreement between Canada and the US expired on 12 October 2015. In April 2017, the US government announced tariffs of 3-24 per cent on imported lumber from Canada, in addition to an anti-dumping duty.

19. There are significant areas of forest with multiple certificates (16 per cent of certified forests globally). The Forest Stewardship Council and the Programme for the Endorsement of Forest Certification have committed to reporting estimates of these overlaps annually to help improve data accuracy. Similar transparency in the reporting of market and trade activities is also needed to provide reliable estimates of the economic impacts of certified wood products.

20. The Paris Agreement on climate change, which aims to accelerate action to mitigate climate change, entered into force on 4 November 2016. As of 10 October 2017, 168 countries had ratified the agreement, although the US has indicated an intention to withdraw. The EU and its member countries have committed to a binding minimum target of a 40 per cent domestic reduction in greenhouse gas emissions from 1990 levels by 2030, as well as to renewable energy and energy-efficiency targets.

21. To continue efforts to combat illegal logging, the European Commission reported on 22 February 2017 that 27 EU member countries had complied with obligations in the EU Timber Regulation to appoint competent authorities, establish penalties for non-conformance, and start carrying out checks of operator compliance. The Russian Federation is also improving measures to reduce illegal logging. From July 2017 the Unified Federal Automated Information System (EGAIS) tracks domestic and foreign transport and trade of sawnwood.

22. There is continued policy action and growing interest in innovations in tall wood buildings. The US Green Building Council reported that 84 projects have registered to use the new pilot credit in the LEED green-building programme designed to address illegal wood and promote the use of verified-legal, responsible and certified wood in buildings.

23. There are increasing organizational commitments to combating deforestation. The principal aim of the New York Declaration on Forests, which was released at the UN Climate Summit in September 2014, is to halve natural forest loss by 2020 and end it by 2030. In September 2016, the Declaration had 190 endorsers comprising 40 governments, 20 subnational governments, fifty-seven multinational companies, sixteen groups representing indigenous communities, and 57 non-governmental organizations.

24. Significant and diverse opportunities exist for forests and forest products to provide environmental and societal benefits. In order to fully realize these goods and services, however, requires a supportive political and economic environment.

## C. Forest product trade barriers affecting the ECE region

25. Member States account for more than 60 per cent of the world trade in forest products. The region's share of world forest product exports has decreased steadily in the last decade however, losing market share to emerging economies.

26. Tariff and non-tariff measures restrict trade. In 2016, the cross-border trade in primary products (excluding roundwood) in the three ECE subregions, as measured by the share of imports in total consumption, ranged from 16 per cent (for paper and paperboard from North America) to 62 per cent (for paper and paperboard in Europe). The share of roundwood imports in total consumption was lower, ranging from negligible in the CIS to 13 per cent in Europe.

27. Overall, furniture, secondary products and panels have higher tariffs because they are seen as making bigger contributions to domestic economies through value-added processing and employment; roundwood, pulp and sawnwood have among the lowest tariffs.

28. The softwood lumber dispute between Canada and the US is probably the most visible trade-related dispute over forest products in the ECE region. One of the biggest elements in the allegation by the US Department of Commerce, and a basis for subsidy rates, is the issue of log export restrictions on Canada's government-owned forestlands countrywide, and notably on private lands in British Columbia.

29. The most noteworthy recent example of an export tariff related to forest products was in July 2007, when the Russian Federation raised its export tariff on roundwood exports from 6.5 per cent to 20 per cent, followed by an increase to 25 per cent in April 2008, a measure designed to stimulate domestic processing. The net result of the export tax was a steep

reduction in Russian log exports, with importers – namely China and Finland – having to look for alternate sources of logs.

30. Before the Russian Federation became a member of the World Trade Organization in 2012, it agreed to allow the tax to fall progressively to less than 10 per cent. The Russian Federation then implemented a tariff-related, species-specific quota system, which has trigger points beyond which exports attract higher tariffs. In Canada, British Columbia also has an export fee ("fee in lieu of manufacture"), whereby exporters who have permission to export must pay a fee based on the difference between domestic and export values. Currently, more than five other countries in the ECE region have introduced trade restrictions on log exports.

31. Non-tariff measures are generally defined as policy measures other than ordinary customs tariffs that can potentially have an economic effect on international trade by changing the quantities of goods traded, or their prices, or both. Non-tariff measures are prevalent among forest products because pathogens can easily be transported across borders; governments and consumers do not want to contribute to deforestation and illegal logging; and the protection of rural livelihoods often has a high policy profile.

32. In the ECE region, log export restrictions are perhaps the most discussed and debated of all trade measures. They are widely used within and outside the region, including by key trading partners of member States. The three biggest roundwood producers in the ECE region (Canada, the Russian Federation and the US) have log export restrictions; together, these countries account for about two-thirds of the region's industrial roundwood harvest.

33. The cross-border trade of forest products is increasing. Tariffs are not particularly high in the ECE region for forest products originating in the region, but non-tariff measures are becoming increasingly important. Many are put in place for environmental reasons and to address legality, and others are used to protect domestic industries.

## II. Summary of regional and subregional markets for key forest products

### A. Wood raw materials

34. The total consumption of roundwood – comprising logs for industrial uses and fuel – in the ECE region was estimated at 1.3 billion $m^3$ in 2016, an increase of 1.7 per cent from 2015 and the fourth consecutive year of growth. The apparent consumption of logs for industrial purposes has trended upward in the past five years, reaching 1.1 billion $m^3$ in 2016, a 1.9 per cent increase over 2015 and 6.8 per cent higher than in 2012. Woodfuel consumption increased by 1.0 million $m^3$ in 2016, to 204.0 million $m^3$.

35. Of the total roundwood harvested in the ECE region in 2016, about 15 per cent was used for fuel (204.0 million $m^3$), a share that was unchanged from 2012. Europe accounted for almost 57 per cent of total woodfuel consumption in the ECE region in 2016. Estimates of roundwood volumes removed from forests for fuel are highly unreliable because few countries have consistent methods for collecting relevant data on this increasingly important end use; nevertheless, it is clear that a fairly large share of forest removals is used for energy purposes.

36. The ECE region is a net exporter of both softwood and hardwood logs, with total net exports of 24.1 million $m^3$ in 2016. The biggest shipments from countries in the ECE region were from the Russian Federation to China and Finland and from the US to Canada and China.

37. Sawlog costs for lumber producers declined faster in the past few years in Europe than in most other world regions. In Europe and the Russian Federation coniferous sawlog prices stabilized or increased in 2016-2017.

38. Sawlog prices have been relatively flat in the southern states of the US but have almost doubled in the western US since the lows of 2009. The biggest price increases (in local currency) in North America have been in western Canada, where average sawlog prices were 21 per cent higher in early 2017 than in the three previous years and 56 per cent higher than in early 2012. Sawlog values have trended slowly downward in eastern Canada.

39. Softwood-fibre costs have declined for pulp mills worldwide since 2011, and this trend continued in 2016 and early 2017.

40. The Committee and the Commission forecasts that removals of industrial roundwood are expected to increase in the ECE region at an annual rate of 1.7 per cent in 2017 and 0.8 per cent in 2018. The subregional breakdown is as follows: Europe showing an increase of 1.8 per cent in 2017 and a rise of 0.5 per cent in 2018; CIS is expected to increase 2.2 per cent in 2017 and then 2.1 per cent in 2018; and North America to increase 1.5 per cent in 2017 and then 0.5 per cent in 2018.

## B. Sawn softwood

41. In 2016, for the first time in about a decade, all the major sawn-softwood producing and consuming regions recorded increased demand and production. Total apparent consumption in the ECE region was 208.4 million $m^3$, up by 4.8 per cent over 2015. The recovery in North America continued for the seventh consecutive year, with sawn softwood consumption increasing by 8 per cent in 2016. Sawn softwood consumption was up by 2.5 per cent in Europe, and the stabilization of economic conditions in the CIS enabled an increase in consumption of 0.9 per cent.

42. Sawn softwood production increased in North America by 4.7 per cent (+6.2 per cent in Canada and +3.4 per cent in the US) in 2016, in Europe by 2.7 per cent and in the CIS by 6.7 per cent. Total sawn softwood production in the ECE region was 250.4 million $m^3$ in 2016, up by 4.1 per cent compared with 2015.

43. European sawn softwood exports increased by 3.8 per cent (at a total volume of 49.5 million $m^3$) in 2016, compared with only a 1.0 per cent gain in 2015. This increase is remarkable given that exports decreased by 10 per cent to North Africa and by 7 per cent to the Middle East. European sawn softwood exporters gained in other key markets, including China (+37 per cent), Japan (+15 per cent) and the US (+31 per cent, albeit from a small base).

44. Sawn softwood production in the Russian Federation increased by 6.7 per cent in 2016, to 34.3 million $m^3$, and Russian sawn softwood exports increased by 7.9 per cent, to 24.9 million $m^3$. These figures are in the process of being revised upwards.

45. US housing starts increased by 5.6 per cent in 2016, to 1.17 million units, and are expected to increase again in 2017, to about 1.25 million units.

46. There were no export duties on Canadian lumber exports to the US in 2016, and Canadian exports soared by 13.5 per cent. US sawnwood prices (in US dollars) gained 4 per cent in 2016 and were higher by 19 per cent in the first half of 2017. The US introduced countervailing export duties of 19.9 per cent on Canadian exports of sawn softwood to the US in late April 2017, and antidumping duties of 6.9 per cent were initiated in late June 2017. This was the main reason for higher sawnwood prices in the first half of 2017, although market conditions were also very good.

47. The countervailing and antidumping duties on Canadian lumber are preliminary, and final duties will be announced in early January 2018. The duties will change global sawnwood trade; with fewer Canadian exports to the US (and more European exports to the US), meaning more offshore exports from Canada, especially to Asia.

48. The Committee and the Commission forecasts that production of sawn softwood will increase in the ECE region at an annual rate of 2.2 per cent in 2017 and 0.6 per cent in 2018. The subregional breakdown is as follows: Europe with a gain of 2.2 per cent in 2017 and 0.7 per cent in 2018; CIS is expected to increase 4.3 per cent in 2017 and another 2.9 per cent in 2018; and North America will gain 1.6 per cent in 2017 and decline -0.4 per cent in 2018.

## C. Sawn hardwood

49. After five years of growth, the apparent consumption of sawn hardwood decreased by 1.2 per cent in the ECE region in 2016, to 35.4 million $m^3$. Falling consumption in North America in 2016 was offset only partly by a slight rise in consumption in Europe and the CIS.

50. Sawn hardwood production was flat in the ECE region in 2016, at 41.2 million $m^3$. Production was stable in Europe, and a fall in North America was offset by an increase in the CIS.

51. After two years of growth, sawn hardwood imports decreased by 0.6 per cent in the ECE region in 2016, to 6.5 million $m^3$. Countries in the ECE region exported 12.3 million $m^3$ of sawn hardwood in 2016, up by 3.4 per cent compared with 2015.

52. There has been strong demand for European oak, including demand from China. Prices increased for European oak in 2016 and the first half of 2017. This was driven by the relative weakness of the euro against the dollar, which encouraged exports from Europe and increased prices for imported American oak.

53. Russian hardwood regulations led to a 6 per cent increase in sawn hardwood exports from the Russian Federation in 2016, to 1.46 million $m^3$. Exports to China were 1.27 million $m^3$, an increase of 9 per cent over 2015. This was the largest quantity of Russian sawn hardwood ever shipped to China.

54. China accounted for 51 per cent of US sawn hardwood exports in 2016, Canada for 13 per cent, Southeast Asia for 12 per cent, Europe for 9 per cent and Mexico for 8 per cent. The US imported 356,000 $m^3$ of sawn hardwood from Canada in 2016, down by 2 per cent compared with 2015. Canada imported 521,000 $m^3$ of sawn hardwood from the US in 2016, down by 0.7 per cent.

55. The Committee and the Commission forecasts that production of sawn hardwood will decline in the ECE region at an annual rate of -0.3 per cent in 2017 and then rise slightly by 0.6 per cent in 2018. The subregional breakdown is as follows: Europe is expected to gain 0.2 per cent in 2017 and 0.5 per cent in 2018; CIS increases 2.7 per cent in 2017 and 2.8 per cent in 2018; and North America with an expected decrease of 1.0 per cent in 2017 and an increase of 0.3 per cent in 2018.

## D. Wood-based panels

56. Trends in the production and consumption of wood-based panels were mixed in 2016, although they generally showed continued growth across the ECE region.

57. Growth in the production and consumption of wood-based panels in Europe was somewhat slower in 2016 than in 2015. Both the plywood and oriented strand board (OSB) subsectors rebounded strongly, with production increasing by 5.3 per cent and 9.6 per cent, respectively. Particle board production was stagnant for the second consecutive year, increasing by just 0.5 per cent in 2016.

58. The production of wood-based panels increased by 8.4 per cent in the CIS in 2016, with an even stronger increase in exports. The resultant apparent consumption of wood-based panels

in the CIS subregion decreased slightly (-0.6 per cent) in 2016 compared with 2015. There were large production increases in the OSB (+32 per cent) and fibreboard (+12.2 per cent) subsectors in the CIS as new plants continued to expand production and exports began to take off.

59. The market for wood-based panels in North America increased by 3.4 per cent in 2016 (the same rate as in 2015). Wood-based panel production was mixed in the subregion, with particle board production declining by 2.2 per cent and plywood and fibreboard remaining stable (at +1.6 per cent and +0.3 per cent, respectively). In contrast, OSB production in North America jumped by 7.5 per cent in 2016.

60. In all three subregions, the trade (both imports and exports) of wood-based panels increased in 2016. Europe had a slight trade surplus; the CIS has a substantial trade surplus; and North America has a substantial trade deficit, notably the result of US imports of plywood from China, which now account for about half of all plywood imports into the US.

61. The Committee and the Commission forecasts that production of wood-based panels will increase in the ECE region at an annual rate of 0.9 per cent in 2017 and by 1.3 per cent in 2018. The subregional breakdown is as follows: Europe will grow 0.5 per cent in 2017 and 1.3 per cent in 2018; CIS should increase by 3.1 per cent in 2017 and 4.3 per cent in 2018; and North America is forecast to grow 1.2 per cent in 2017 and 1.4 per cent in 2018.

## E. Paper, paperboard and woodpulp

62. Paper and paperboard production increased in Europe and the CIS in 2016 but declined in North America. Production of paper and paperboard edged 0.1 per cent higher in Europe, increased by 5.5 per cent in the CIS, and dropped by 0.8 per cent in North America.

63. The industry was again challenged due to overcapacity in graphic papers and chemical woodpulp throughout the ECE region. Capacity closures and conversions (e.g. to packaging-grade paper) in the graphic-paper segment continued in Europe and North America as prices remained under pressure. Production and apparent consumption of sanitary and household papers, along with packaging grades, were stronger in 2016 than in 2015. Packaging-paper production was generally higher in the ECE region, aided by stronger apparent consumption in Europe and the CIS. Woodpulp production was stronger across the ECE region in 2016 due to growth in the apparent consumption of packaging and tissue, as well as in exports.

64. Chemical market woodpulp capacity continued to expand, primarily in low-cost regions outside the ECE region. Prices for chemical pulps were challenging in mid-2016 but began to improve thereafter as a result of stronger Chinese imports and a series of unplanned outages that caused a curtailment of supply. Prices improved in all global markets in early- to mid-2017, despite a series of planned capacity additions that will mainly begin to enter the market in the second half of the year.

65. China's economic output continued to hover around 7 per cent in 2016, as it had done in the previous four years, despite government policies aimed at combating lethargic domestic consumption and exports. Economic and social reforms – including looser credit markets – implemented in 2014, 2015 and 2016 have resulted in modest growth; however, excess manufacturing capacity and weak exports (negatively affected by lacklustre global economic growth) continued in 2016 and early 2017.

66. The on-going growth of electronic communication continues to play a major role in the evolution of the pulp and paper segments, while paperboard has benefited from increased online shopping. The rationalization of capacity through the closure and conversion of high-cost mills continues in the pulp, paper and paperboard segments; low-cost chemical woodpulp, tissue and packaging capacities continue to be added, however.

67. In the pulp sector, the expansion of bleached hardwood craft capacity in South America and Asia continued to be the most important factor by far influencing the market in 2016 and the first half of 2017.

68. The Committee and the Commission forecasts that production of paper and board will increase in the ECE region at an annual rate of 0.8 per cent in 2017 and decline by - 0.4 per cent in 2018. The subregional breakdown is as follows: Europe is gaining 1.0 per cent in 2017 and is expected to gain a further 0.5 per cent in 2018; the CIS is forecast to gain 0.5 per cent in 2017 and gain 0.5 per cent in 2018; and North America is expected to increase by 0.5 per cent in 2017 and decline by 1.6 per cent in 2018.

## F. Wood energy

69. Wood energy markets in the ECE region are being significantly affected by public policies, weather fluctuations and changes in production capacity, particularly for wood pellets.

70. The most recent available data show that the primary production of "solid biofuels (excluding charcoal)" in the EU28 grew by 6 per cent in 2015 compared with 2014, to about 3,829 petajoules (PJ). Wood pellet consumption reached 22.3 million tonnes in the European subregion in 2016, a 6.6 per cent increase over 2015. Wood pellet production increased by 2.5 per cent and imports grew by 4.4 per cent.

71. Demand for wood energy is increasing in the CIS as the consumption of wood fuels grows in the subregion and among neighbouring countries. Wood energy consumption increased in the CIS in 2016 but at a slower pace than in 2015. Total wood pellet production in the CIS increased by 2 per cent in 2016, reaching 2 million tonnes. Half the production was in the Russian Federation, which surpassed 1 million tonnes in 2016.

72. The total production of wood pellets in North America was about 9.2 million tonnes in 2016, up by 6.7 per cent over 2015. Canada consumed about 536 PJ of wood energy in 2016, which was 1 per cent less than in 2015; of this, 225 PJ was derived from solid wood waste, 273 PJ from spent pulping liquor, about 30 PJ from fuelwood and 9.0 PJ from wood pellets. Wood energy consumption accounted for about 4.5 per cent of Canada's total primary energy supply in 2016. The US consumed 2,066 PJ of wood energy in 2016, down by about 6 per cent from 2015.

73. Prices for wood pellets traded across the Atlantic show an overall declining trend, possibly reflecting ample supply as well as demand that has not grown at expected rates (except in the UK). Nonetheless, the share of solid-biofuel (excluding charcoal) imports in the EU28's primary production has grown threefold since 2005. North American wood pellet exports to the EU28 reached 6.6 million tonnes in 2016.

74. The Dutch "stimulation of sustainable energy production incentive scheme" – an incentive scheme for the production of renewable energy in the Netherlands – might spur a new market for utility wood pellets in the EU28.

75. Changes in public policy remain one of the largest sources of uncertainty in wood energy markets. The planned withdrawal of the UK from the EU could affect the role played by wood pellets in the UK's renewable energy portfolio, thereby affecting trade.

76. The announcement by the US of its intention to withdraw from the Paris Agreement on climate change and to begin negotiations either to re-enter the agreement or on a new agreement could affect US domestic wood energy consumption and pellet exports to the EU.

77. The proposal for a revised Directive of the European Parliament and of the Council on the Promotion of the Use of Energy from Renewable Sources could affect the eligibility of

biomass sourcing and the establishment of risk assessments, with uncertain consequences for established interregional supply chains.

78. The Committee and the Commission forecasts that production of wood pellets will increase in the ECE region at an annual rate of 9.8 per cent in 2017 and 4.7 per cent in 2018. The subregional breakdown is as follows: Europe is forecast to increase by 10.5 per cent in 2017 and a further 3.4 per cent in 2018; CIS is expected to increase 9.3 per cent in 2017 and 6.8 per cent in 2018; and North America is estimated to increase 8.6 per cent in 2017 and then 6.4 per cent in 2018.

## G. Value-added wood products

79. Global furniture production was worth $420 billion in 2016, up moderately from 2015. The value of global furniture trade was estimated at $140 billion, with France, Germany, the UK and the US the largest import markets.

80. Furniture has become a large global trade flow as the industry has globalized and production has moved to lower-cost countries. China is now the world's largest furniture producer and exporter. In the ECE region, Poland's furniture production increased by more than 10 per cent.

81. Furniture companies in the ECE region are looking for ways to expand furniture production in their home countries, exploring design, service and custom-made concepts, such as integrated electronic features, as ways of competing with imported Asian furniture. The furniture giant IKEA was the largest single buyer of wood in Europe in 2015, consuming 16.2 million $m^3$ of solid-wood equivalent and an estimated 3.8 million $m^3$ of paper and paperboard for packaging.

82. The market for builder's joinery and carpentry products has developed strongly in the US in the last five years. This market is expected to continue developing in North America as housing markets strengthen (the value of imports of builder's joinery and carpentry products in the US alone now exceeds $2.1 billion per year). In contrast, there has been no significant change in import volumes in the last several years in the largest European countries.

83. Profiled-wood imports to the US declined in 2016, despite the strengthening housing market. Profiled-wood markets in Europe, serviced mainly by European producers, also declined slightly in 2016.

84. North American production of glulam, wooden I-beams and laminated veneer lumber made consistent gains in the period from 2010 to 2017 (forecast), mainly the result of increased new housing construction. Glulam data are unavailable for Europe, but there has been significant growth in production in Austria, the subregion's largest producer; Italy is the largest consumer. Europe provides the majority of Japan's 771,000 $m^3$ of imports of glulam (and cross-laminated timber), with Finland, Romania, Austria, Estonia and Sweden (in descending order, by volume) the biggest suppliers.

85. Cross-laminated timber production is still largely concentrated in Europe. The DACH countries (Germany, Austria and Switzerland) accounted for about 80 per cent of global production in 2015 (Austria alone produced about 60 per cent). European production was estimated at 680 thousand $m^3$ in 2016, and this is forecast to increase to about 1.25 million $m^3$ by 2020. New production facilities are either completed (Latvia has two newer facilities) or in the planning stages. Despite hype around the use of cross-laminated timber in the construction of tall wooden structures, small and medium-sized buildings are still the focus of most producers in Europe.

86. Cross-laminated timber has become increasingly popular in North America, echoing the long-established trend in Europe. Production in North America, which, to date, has been oriented more towards platforms used in mining and the oil industry, is expected to increase

significantly in coming years, with greater use in the building sector. Five cross-laminated timber plants are in operation in North America (three in Canada and two in the US). It is estimated that the potential market for cross-laminated timber in the US alone could be 2 million - 6 million $m^3$, far outstripping the entire current global supply.

## H. Housing

87. Housing markets in the Europe and North America have partially recovered from the 2008-2009 global financial crisis. However, housing construction and sales have not yet attained their historical averages. GDP forecasts for many advanced economies in the ECE region suggest that housing construction and sales in 2017 and beyond might be at similar levels to those reported in the past few years.

88. In the US, housing construction and sales have increased from the lows of 2009, but aggregate new single-family housing construction remains below its historical average. All subsectors of the US housing market increased in 2016. Beginner or starter housing remains subdued, and the quantity of dwellings constructed is insufficient to meet increasing demands due to population growth. Residential investment accounted for 6.1 per cent of US GDP in 2005 but for only 3.8 per cent in 2016, a sign that the new-housing construction market has additional opportunity to grow. The Canadian housing sector remains stable. However, there is growing concern about rapidly escalating housing prices in Vancouver and in the greater Toronto area.

89. The Russian Federation experienced a decline (of nearly 3.4 per cent) in commissioned houses in 2016, to 1.15 million units. Overall, 79.3 million $m^2$ of floor space was put in place, a decrease of 6.7 per cent compared with 2015. A Government programme on wooden housing construction is currently being developed.

90. Euro-area construction increased by 7.1 per cent between February 2016 and February 2017, due primarily to improvements in the building construction and civil engineering sectors. Residential remodelling was the largest component (about 58 per cent) of euro-area residential construction expenditures in 2016, although new residential construction is forecast to increase at higher rates than remodelling to 2019. New residential spending (new residential construction + residential renovation) is forecast to increase by 8.0 per cent from 2016 to 2019, with civil engineering construction increasing by 9.4 per cent and non-residential construction by 5.4 per cent (euro basis). There will be robust demand in Europe in the near term due to revived consumer confidence, increasing household incomes, demographic growth, and the housing needs of asylum seekers.

## Annex IV

[English only]

**a) Recommendations of the European Forestry Commission for the attention of the FAO Committee on Forestry** (issues to be considered for inclusion in the Agenda)

| *Priority issues for the FAO Committee on Forestry to consider* | *Expected outcome (information discussion decision)* | *Possible follow up activities for the FAO Committee on Forestry and FAO* | *Reference to other Regional Forestry Commission recommendations* |
|---|---|---|---|
| Forests and the SDGs | Discussion/decision | | North American Forest Commission, Latin American and the Caribbean Forestry Commission |
| Mainstreaming biodiversity | Discussion/decision | | North American Forest Commission |
| Forests and food security (including agroforestry, non-wood forest products, etc.) | Discussion/decision | | North American Forest Commission, Committee on Food Security |
| Forests health and invasive species including pests | Discussion/decision | | |
| Boreal and temperate forests | Discussion/decision | | FAO Committee on Forestry request |
| Youth, education and employment | Discussion/decision | | |
| Promotion of implementation of the United Nations strategic plan for forests 2017-2030, defining and implementing voluntary national contributions | Discussion/decision | | |
| Global set of criteria and indicators | Discussion/decision | | North American Forest Commission |
| Sustainable forest management under climate change | Discussion/decision | | |
| Integrated land use and forest issues in a changing environment in the context of the Land Use, Land Use Change and Forestry sector | Discussion/decision | | |



ECE/TIM/2017/2
FO:EFC/2017/2

| | | | |
|---|---|---|---|
| Urban Forestry | Discussion/decision | | North American Forest Commission |
| Fire management | Discussion/decision | | North American Forest Commission |
| Funding opportunities for forests | Discussion/decision | | |

**b) Recommendations of the European Forestry Commission for the attention of the Regional Conference for Europe**

| *Priority issues for the Regional Conference for Europe to consider* | *Expected outcome (information discussion decision)* | *Possible follow up activities for FAO* |
|---|---|---|
| Consider the report of the thirty-ninth session of the Commission as a separate agenda item (standing item) | Information/discussion/decision | |
| Consider the recommendations of the Commission in its deliberations on current and future Regional Initiatives and on the programme of work and budget | Discussion/decision | |
| Send invitations to the Ministries related to forestry of the countries to participate in meetings of the Regional Conference for Europe and designate focal points for the Regional Conference for Europe | Decision | |
| Discussion of the implementation of the 2030 Agenda, the SDGs and the United Nations strategic plan for forests 2017-2030 from the region's perspective | Information/discussion | |

**c) RFC recommendations for the FAO Programme of Work in Forestry related to the agenda of the current session**

| *Area action for FAO programme of work* | *Priority (H, M, L, De-emphasis* | *Type (new, continued)* | *Level of action (subregional regional global)* | *Strategic Objective (1-5)* |
|---|---|---|---|---|
| **Global and regional context:** ECE and FAO, within their existing mandates, to: | | | | |
| 1. Continue to support country implementation of the SDGs and the 2030 Agenda as they relate to forests, and the United Nations strategic plan for forests 2017-2030 in cooperation with the Collaborative Partnership on Forests members. | | Continued | Global, regional | SO1 - SO5 |
| 2. Update member States and other stakeholders on the forest-related global and regional policy developments, building also on the possible input from the ECE/FAO Network on Forest Policy, to contribute to the achievement of SDGs and the United Nations strategic plan for forests 2017-2030 implementation and review process. | | Continued | Global, regional | SO1 - SO5 |
| 3. Continue forest monitoring and outlook work in the region. | | Continued | Regional | SO2 - SO4 |
| **Global Forest Resources Assessment 2020:** FAO to: | | | | |

| *Area/action for FAO programme of work* | *Priority (H, M, L, De-emphasis* | *Type (new, continued)* | *Level of action (subregional regional global)* | *Strategic Objective (1-5)* |
|---|---|---|---|---|
| 4. Continue supporting the development of the global core set concept and contribute to the collection of data for those indicators that are relevant for the Global Forest Resources Assessment 2020. | | Continued | Global, regional | SO2, SO4 |
| 5. Continue the development and implementation of the new Global Forest Resources Assessment 2020 online platform to allow voluntary event-based annual submissions, reviews and annual reporting on SDG indicators 15.1.1 and 15.2.1. | | Continued | Global, regional | SO2, SO4 |
| 6. Further strengthen the Collaborative Forest Resources Questionnaire and consider options for expanding it towards reporting with regional Criteria and Indicator processes. | | Continued | Global, regional | SO2, SO4 |
| 7. Make the country-specific remote sensing datasets available for national validation and to provide the necessary tools and support for data analysis and management. | | Continued | Global, regional | SO2, SO4 |
| 8. Initiate Global Forest Resources Assessment 2020 capacity development activities on remote sensing methodologies and national spatial data infrastructure. | | Continued | Global, regional | SO2, SO4 |
| **Global Forest Resources Assessment 2020:** FAO and ECE to: | | | | |
| 9. to continue to work together with Forest Europe to implement ECE/FAO/Forest Europe joint data collection on forests and sustainable forest management in the region and coordinate it with the global reporting to the extent possible in a cost effective manner. | | Continued | Regional | SO2, SO4 |
| 10. Suggested a revision of the joint data collection to, inter alia, further clarify how these data should be referred to in third party publications. | | Continued | Regional | SO2, SO4 |
| **The Warsaw Integrated Programme of Work 2018-2021:** | | | | |
| 11. Support the implementation of the Warsaw Integrated Programme of Work within its mandate. | | Continued | Regional | SO2, SO4 |
| **Follow-up to the decisions of the thirty-eighth session of the Commission:** FAO to: | | | | |
| 12. Integrate adaptation activities to climate change works stressing the importance of the "no mitigation without adaptation" approach. | | Continued | All | SO2, SO4 |
| 13. Renew the work with the Advisory Panel on Forest Knowledge to provide guidance for modernizing forestry related education. | | Continued | All | SO2, SO4 |

| *Area action for FAO programme of work* | *Priority (H, M, L, De-emphasis* | *Type (new, continued)* | *Level of action (subregional regional global)* | *Strategic Objective (1-5)* |
|---|---|---|---|---|
| **Forestry activities of the FAO Regional Office for Europe and Central Asia:** FAO to: | | | | |
| 14. Prepare a background document for regional activities for the next session of the Commission, including the creation of an online information platform on project activities. | | New | Regional | SO2, SO4 |
| 15. Promote broader participation of the different stakeholders, in particular from forestry, in the FAO Country Programming process. | | New | Regional, national | SO2, SO4 |
| 16. Support countries in developing strategies and measures aiming at prevention and control of transboundary forest pest and diseases, thus to increase vitality of forests in the context of climate change. | | Continued | Regional, national | SO2, SO5 |
| **Forest Invasive Species Network for Europe and Central Asia:** FAO to: | | | | |
| 17. Continue supporting the establishment and functioning of the Forest Invasive Species Network for Europe and Central Asia and the implementation of its activities. | | New | Regional | SO2, SO5 |
| 18. Facilitate the Forest Invasive Species Network for Europe and Central Asia in linking up and cooperation with the European Commission Joint Research Centre European Alien Species Information Network and other European initiatives. | | New | Regional | SO2, SO5 |
| 19. Engage in cross-cutting and inter-departmental work, in particular through the relevant Major Areas of Work and/or Regional Initiatives of the FAO Regional Office for Europe and Central Asia defined under the FAO Strategic Framework. | | New | Regional | SO2, SO5 |
| 20. Support cross sectoral plant protection measures to contribute to biodiversity conservation, and climate change adaptation and mitigation, as well as the conservation and sustainable use of natural resources. | | New | Regional | SO2, SO5 |
| 21. Support country efforts to plan and implement activities within the scope of the Platform, in particular through training and capacity development work. | | New | Regional | SO2, SO5 |
| 22. Provide technical support to manage forest pests, which are not necessarily considered as invasive species. | | New | Regional | SO2, SO5 |
| **Forest and Landscape Restoration work under climate change conditions in the region:** FAO to: | | | | |

| *Area of action for FAO programme of work* | *Priority (H, M, L, De-emphasis* | *Type (new, continued)* | *Level of action (subregional regional global)* | *Strategic Objective (1-5)* |
|---|---|---|---|---|
| 23. Support country efforts in the region to plan and implement activities related to the restoration of forests and other degraded lands, in particular through activities of the Forest and Landscape Restoration Mechanism, including national strategy and action plans, and also in the framework of the possible "European Forest and Landscape Restoration Initiative". | | Continued | All | SO2, SO5 |
| 24. Assist countries to develop consistent definitions for "degraded forest" in relation to the Convention on Biological Diversity and the Aichi Targets. | | Continued | All | SO2, SO5 |
| 25. Seek further cooperation with regional partners to promote the restoration of degraded lands, in particular through direct involvement in global partnerships and initiatives, including the Global Partnership on Forest and Landscape Restoration, International Model Forest Network, and the Landscapes for People, Food and Nature initiative, as well as with the members of the Collaborative Partnership on Forests. | | Continued | All | SO2, SO5 |
| 26. Engage in cross-cutting and inter-departmental work to support landscape approaches. | | Continued | All | SO2, SO5 |
| 27. Pursue active engagement with multilateral, bilateral and private sector resource partners, including the Global Environment Facility, the Green Climate Fund and multilateral and regional development banks, to enable FAO to increase its support to member countries in forest and landscape restoration activities. | | Continued | All | SO2, SO5 |
| **Progress of Silva Mediterranea:** | | | | |
| 28. Encouraged the development of activities on forest and landscape restoration in the Mediterranean region. | | Continued | Regional, national | SO2, SO5 |
| 29. Strengthening FAO's work on boreal and temperate forests: FAO to: | | | | |
| 30. Consider a more active cooperation with the existing mechanisms instead of creating any additional platform and encouraged these mechanisms to seek a stronger involvement from FAO and ECE as appropriate. | | New | Global, regional | SO2 |
| 31. Continue building up its normative, and operational, and information support to member States in the Region of Europe and Central Asia in regard to both boreal and temperate forests. | | New | Global, regional | SO2 |
| **Contributions of FAO's work in forestry to the implementation of the SDGs within the scope of Regional Initiatives of the FAO Regional Office for Europe and Central Asia:** | | | | |

| *Area of action for FAO programme of work* | *Priority (H, M, L, De-emphasis* | *Type (new, continued)* | *Level of action (subregional, regional, global)* | *Strategic Objective (1-5)* |
|---|---|---|---|---|
| FAO to | | | | |
| 32. Strengthen the integration of specific forestry programmes (including the Forest and Farm Facility, Forest and Landscape Restoration, the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security, work on agro-forestry and urban forestry) and other operational forestry work into existing and future Regional Initiatives of the FAO Regional Office for Europe and Central Asia, taking into account the multi-functional roles of forests. | | New | Regional, national | SO2, SO4, SO5 |
| 33. Continue to support countries upon request in natural resource management including forests through the harmonization and strengthening of national policy, financing, incentives, taxation and governance frameworks and measures, including regulations, standards and monitoring for forest management interventions and practices, and support capacity development in this regard. | | New | Regional, national | SO2, SO4, SO5 |
| 34. Provide assessment tools, methodologies and data (including GIS and mapping) to evaluate the impacts of climate change and support the definition of policy and investment options and evidence based planning and management of the forest resources. | | New | Regional, national | SO2, SO4, SO5 |
| **The Committee on World Food Security (CFS) High-level Panel of Experts on Food Security and Nutrition study on sustainable forestry for food security and nutrition:** FAO to: | | | | |
| 35. Support countries in enhancing the contributions of forests and trees to food security and nutrition, in particular in countries most in need. | | Continued | All | SO1 - SO5 |
| 36. Support and promote the role of women in forestry and food security. | | Continued | All | SO1 - SO5 |
| 37. Identify, document and disseminate best practices regarding food security and nutrition mainstreaming in forestry. | | Continued | All | SO1 - SO5 |
| 38. Develop guidelines for mainstreaming food security and nutrition objectives in forest and other related sectors' policies as well as in forest management policy and practices. | | Continued | All | SO1 - SO5 |
| **FAO contributions to the global process:** FAO to: | | | | |

| *Area/action for FAO programme of work* | *Priority (H, M, L, De-emphasis* | *Type (new, continued)* | *Level of action (subregional regional global)* | *Strategic Objective (1-5)* |
|---|---|---|---|---|
| 39. Assist countries in strengthening their capacity to monitor forest-related SDG indicators and in strengthening the wider contributions of forests to the SDGs. | | Continued | All | SO1 - SO5 |
| 40. Continue contributing to the Global Climate Action Agenda and to promote forest related initiatives, projects and programmes at COP23 as well as support countries in the development of their forest and other land use related proposals for the Green Climate Fund. | | Continued | All | SO1 - SO5 |
| 41. Inform the FAO Committee on Forestry on plans and progress made in establishing the platform on mainstreaming biodiversity, as well as on FAO's work in promoting the conservation and sustainable use of forest biodiversity. | | Continued | All | SO1 - SO5 |
| 42. Support the appropriate inclusion of the role of forests in the Convention on Biological Diversity strategies beyond 2020. | | Continued | All | SO1 - SO5 |
| 43. Explore ways and means to help further enhance the forest sector's contribution to the mainstreaming of biodiversity. | | Continued | All | SO1 - SO5 |
| 44. Support the work of the United Nations Forum on Forests including through analytical work, such as the State of the World's Forests and the Global Forest Resources Assessment; and assist countries, at their request, in developing voluntary national contributions. | | Continued | All | SO1 - SO5 |
| 45. Strengthen its leadership in the Collaborative Partnership on Forests and work towards strengthening support to the implementation of the United Nations strategic plan for forests 2017-2030 including through presenting the Collaborative Partnership on Forests workplan and the recommendation for a global core set of forest-related indicators to UNFF13 and to the FAO Committee on Forestry in 2018. | | Continued | All | SO1 - SO5 |